

Registered number: 01856248
Charity number: 290456

**IES London, The London Centre of the Institute for the International
Education of Students (Illinois) Limited**
(A company limited by guarantee)

Council of Management's report and financial statements
for the year ended 30 June 2015

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**IES London, The London Centre of the Institute for the International Education of Students (Illinois)
Limited**
(A company limited by guarantee)

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IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited
(A company limited by guarantee)

Reference and administrative details of the company, its trustees and advisers for the year ended 30 June 2015

Council of Management

Mr G Bennett
Miss M Torres
The Institute for the International Education of Students

Centre Director

Mr J Ockey

Company registered number

01856248

Charity registered number

290456

Registered office

5 Bloomsbury Place
London
United Kingdom
WC1A 2QP

Auditors

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Bankers

The Royal Bank of Scotland
62/63 Threadneedle Street
London
EC2R 8LA

IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited
(A company limited by guarantee)

**Council of Management's report
for the year ended 30 June 2015**

The Council of Management (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited (the charity) for the year ended 30 June 2015. The Council of Management confirm that the Annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. Constitution

The charity is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 16 October 1984.

b. Method of appointment or election of Council of Management

The management of the charity is the responsibility of the Council of Management who are elected and co-opted under the terms of the Articles of Association.

c. Policies adopted for the induction and training of Council of Management

New Trustees will undergo an orientation session to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association (the governing document), the committee and decision making processes, the business plan and recent financial performance of the charity. During the induction session they will meet key employees and other Trustees.

Ongoing, Trustees review their training and update needs and take steps necessary to ensure that appropriate training processes are in place.

d. Organisational structure and decision making

The charity is organised so that the Council of Management meet once a year to review its affairs. There are at present 8.5 full-time staff members at the IES Centre, led by Centre Director John Ockey. The Centre Director both sets the future direction of the programme and manages the day to day administration of the charity. Alice Kerby serves as Assistant Programme Director, overseeing the Programme in the Director's absence. On the academic programme, the Director is supported by a faculty member serving as a part-time Academic Support to the students. Also, the services of 28 part-time lecturers are utilised to teach the various courses of the programme. The average tenure among these faculty members is roughly 7 years.

e. Related party relationships

The charity relies upon support and income from The Institute for the International Education of Students. Details are set out in note 16 to the accounts.

f. Risk management

The Council of Management have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity, and are satisfied that systems and procedures are in place to mitigate its exposure to such risks.

IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited

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**Council of Management's report (continued)
for the year ended 30 June 2015**

Objectives and Activities

a. Policies and objectives

The objects of the charity are to advance education by establishing or maintaining at or near London and elsewhere in England, an academic centre for the instruction of adult students in such fields of study as may be approved by the Council of Management. Moreover, the charity aims to foster and maintain collaborative partnerships with several British HE institutions.

The charity aims to support the Institute for the International Education of Students, the USA based headquarters, by providing high quality academic study abroad programmes that foster intercultural development of students from American colleges and universities. The charity's main objective for the year was to maintain or increase student numbers while maintaining quality in academic offerings.

The chief objectives of the Centre are to offer instruction for U.S. students as part of their U.S. university curricula, to enrol students in complementary courses in British institutions, and to facilitate their participation in co-curricular activities such as internships.

b. Public benefit

The Charity has met the public benefit requirement by educating adult students, housing adult students, and promoting intercultural competence and cultural exchange. These benefits also directly contribute to UK government strategy (the Prime Minister's Initiative of 2006) to increase the number of international students in the UK, in recognition of the economic and cultural benefit that they bring to the country as a whole and the local community, as well as to improve links and create partnerships for UK institutions with international institutions. These benefits relate directly to the aims of the charity, which include establishing and maintaining in and around London, an academic centre for the education of adult students in various academic fields of study and collaborative partnerships with several British HE institutions.

c. Strategies for achieving objectives

The charity's key strategies for achieving its objectives are to review programmes regularly in order to strive for greater excellence, to put forth greater effort in developing more Customised Programmes, to expand student numbers while improving the academic quality of the student body, to attract more students to direct enrolment options, and to develop new themed academic programmes. The charity measures the success of this strategy by regular evaluations conducted at the Centre and by carrying out a programme review every seven years.

People in poverty are not denied the opportunity to benefit from IES programmes and activities in London. For example, IES Abroad commits more than \$2 million each year, globally, to their financial aid programmes as it firmly believes that financial limitations should not prevent a qualified student from participating in an IES abroad programme. All IES London students are eligible to apply for this aid. In addition, IES offers grants of \$1,500 per student per term to public university students (using the U.S. definition of public universities), as well as scholarships based upon diversity or academic performance.

IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited
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Council of Management's report (continued)
for the year ended 30 June 2015

d. Activities for achieving objectives

The major area of activity is the provision of educational programmes to students through running the "IES Study London Program". This features concentrations in British Literature and Drama, International Business as well as studies in such fields as communications, history, sociology and women's studies. The charity has strong relationships with a number of local educational institutions and also supports an internship scheme that enables students to gain work experience in British companies and other organisations whilst under academic supervision. In addition, the Centre customises special academic programmes for American colleges and universities.

The Trustees have considered and complied with the guidance on public benefit. In fact, in planning the objectives for the year, the Trustees have ensured their compliance with the duty in s17 of the Charities Act 2011 and are mindful of the Charity Commission guidance on public benefit. The students benefiting from these activities include those receiving scholarships.

Achievements and performance

a. Review of activities

During the 2014-15 academic year, the London Centre enrolled 126 summer students in the UK Today and Internship programmes (46 UK Today and 80 Interns), 116 fall students (including 46 direct enrolment students), and 187 spring students (including 49 direct enrolment students). In addition, 173 students participated in customised programmes with IES in London during the 2014-2015 academic year. There were also 7 full academic year students (all DE).

IES currently works with the following partner institutions: The Courtauld Institute, The Slade School of Fine Art, University College London, SOAS, Queen Mary University of London, City University, and St. Catherine's College, Oxford.

In addition to their coursework, IES students, particularly those on the Health Practice and Policy Program, participate in various community activities, volunteer, and engage in service learning projects in the London area, which benefit members of the public and the needs of those less fortunate. These projects include volunteer work with church groups, conservation work, working with the homeless, and volunteering at several museums and arts organizations in the city.

b. Investment policy and performance

IES Chicago covenanted with IES London to provide £1 million in capital as part of the real estate joint-venture agreement entered into when IES London purchased a student residence hall in Chelsea. That property was sold in 2011, but the aforementioned funds remain segregated and managed in an account at The Vanguard Group. The funds are invested in securities governed by IES's current investment policy, which is directed by the Finance Committee of IES's US Board of Directors. They are currently invested in the S&P 500 Index.

During the year to 30 June 2015 the Trustees agreed to sell the investments held in Vanguard to realise the funds to help support the company. At 30 June 2015 the value of these investments was £277,870 and since the year end, these investments have subsequently been sold.

The company continues to receive support from the Institute for the International Education of Students.

IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited
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Council of Management's report (continued)
for the year ended 30 June 2015

Financial review

a. Reserves policy

It is the policy of the charity to hold free reserves adequate to provide reasonable financial resource in light of the availability of support from the Institute for the International Education of Students in Chicago.

b. Transactions and financial position

The Statement of Financial Activities shows net expenditure for the year before revaluations of £2,186,815 and our reserves stand at £1,190,850 in total. The extent of this net expenditure is due to the Council of Management deciding that the level of reserves were previously higher than what was needed and so disposing of investments to raise funds rather than requesting additional tuition and student housing fees from The Institute for the International Education of Students in Chicago. The final investments have been disposed of since the year end and so tuition and student housing fees will be returning to previous levels.

Plans for the future

a. Future developments

IES Abroad London was one of a handful of centres which introduced the new full time summer internship programme beginning Summer 2014, has offered internships in Summer 2015 and will continue to offer full-time summer internships in Summer 2016.

IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited

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**Council of Management's report (continued)
for the year ended 30 June 2015**

Council of Management's responsibilities

The Council of Management (who are also directors of IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited for the purposes of company law) are responsible for preparing the Council of Management's 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 Council of Management to prepare financial statements for each financial year. Under company law the Council of Management must not approve the financial statements unless they are satisfied that they 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 Council of Management are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Council of Management are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Disclosure of information to auditor

Each of the members on the Council of Management at the time when this Council of Management's report is approved has confirmed that:

- so far as that member of the Council of Management is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- each member of the Council of Management has taken all the steps that ought to have been taken as a member of the Council of Management in order to be aware of any information needed by the charity's auditors in connection with preparing their report and to establish that the charity's auditors are aware of that information.

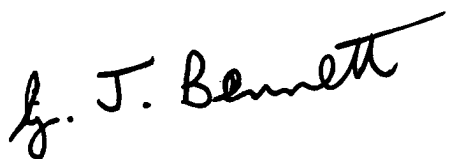
**IES London, The London Centre of the Institute for the International Education of Students (Illinois)
Limited**

(A company limited by guarantee)

**Council of Management's report (continued)
for the year ended 30 June 2015**

In preparing this report, the Council of Management have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Council of Management on 3 November 2015 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'G. J. Bennett'. The signature is written in a cursive style with a long horizontal line extending from the end.

**Mr G Bennett
Member of Council**

IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited
(A company limited by guarantee)

Independent auditors' report to the members of IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited

We have audited the financial statements of IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited for the year ended 30 June 2015 set out on pages 10 to 19. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Council of Management and auditors

The Council of Management (whose members are also the directors of the company for the purposes of company law) is responsible for preparing the Council of Management's annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and for being satisfied that the charitable company's financial statements give a true and fair view, as set out in the Statement of Council of Management's responsibilities.

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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council of Management; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Council of Management's report 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.

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 30 June 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited

(A company limited by guarantee)

Independent auditors' report to the members of IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Council of Management's report 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; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Council of Management were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Council of Management's report.

Kreston Reeves LLP

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury
3 November 2015

IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited

(A company limited by guarantee)

**Statement of financial activities
(incorporating income and expenditure account)
for the year ended 30 June 2015**

| | Note | 2015 £ | 2014 £ |
|--|-------------|--------------------|-------------------|
| Incoming resources | | | |
| Incoming resources from generated funds: | | | |
| Activities for generating funds | 3 | 6,591 | 6,889 |
| Investment income | 4 | 36,439 | 41,627 |
| Incoming resources from charitable activities | 5 | 1,939,019 | 4,295,213 |
| Total incoming resources | | 1,982,049 | 4,343,729 |
| Resources expended | | | |
| Charitable activities | 7 | 4,151,746 | 4,170,825 |
| Governance costs | 6 | 17,118 | 16,711 |
| Total resources expended | | 4,168,864 | 4,187,536 |
| Net (expenditure) / income before investment asset revaluations | | (2,186,815) | 156,193 |
| Gains and losses on revaluation of investment assets | 12 | 398,095 | 181,318 |
| Net (expenditure) / income for the year | | (1,788,720) | 337,511 |
| Net movement in funds for the year | | (1,788,720) | 337,511 |
| Total funds at 1 July 2014 | | 2,979,570 | 2,642,059 |
| Total funds at 30 June 2015 | | 1,190,850 | 2,979,570 |

The notes on pages 12 to 19 form part of these financial statements.

IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited

(A company limited by guarantee)

Registered number: 01856248

**Balance sheet
as at 30 June 2015**

| | Note | £ | 2015 £ | 2014 £ |
|---|------|------------------|------------------|------------------|
| Fixed assets | | | | |
| Tangible assets | 10 | | 17,242 | 16,947 |
| Current assets | | | | |
| Debtors | 11 | 401,921 | 465,083 | |
| Investments | 12 | 277,870 | 2,293,750 | |
| Cash at bank | | 602,686 | 347,095 | |
| | | <u>1,282,477</u> | <u>3,105,928</u> | |
| Creditors: amounts falling due within one year | 13 | (108,869) | (143,305) | |
| Net current assets | | | <u>1,173,608</u> | <u>2,962,623</u> |
| Total assets less current liabilities | | | <u>1,190,850</u> | <u>2,979,570</u> |
| Charity funds | | | | |
| Unrestricted Funds | | | <u>1,190,850</u> | <u>2,979,570</u> |
| Total funds | | | <u>1,190,850</u> | <u>2,979,570</u> |

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Council of Management on 3 November 2015 and signed on their behalf, by:



**Mr G Bennett
Member of Council**

The notes on pages 12 to 19 form part of these financial statements.

IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited

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**Notes to the financial statements
for the year ended 30 June 2015**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 Going concern

The charity's main source of income is tuition fees received from the Institute for the International Education of Students based in Chicago, which is considered to be the ultimate controlling party.

The Institute for the International Education of Students has indicated that it intends to provide such funds as are necessary for the charity to continue in operational existence for the foreseeable future.

Accordingly, the Council of Management continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Company status

The company is a company limited by guarantee. The sole member of the company is The Institute for the International Education of Students. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

1.4 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Council of Management in furtherance of the general objectives of the company and which have not been designated for other purposes.

1.5 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Fees from Centre activities are adjusted by amounts paid to or supplemented by the Institute for the International Education of Students in Chicago.

1.6 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and best practice. These costs include costs related to statutory audit, the preparation of the statutory accounts and professional advice provided to the Council of Management along with an apportionment of accountancy staff costs based on the amount of their time spent on the preparation of the statutory accounts.

**Notes to the financial statements
for the year ended 30 June 2015**

1. Accounting policies (continued)

1.7 Cash flow

The financial statements do not include a Cash flow statement because the charitable company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.8 Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

1.9 Tangible fixed assets and depreciation

All assets costing more than \$5,000 are capitalised.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|--------------------------|---|---------------------|
| Short leasehold property | - | 10% straight line |
| Furniture and equipment | - | 20% straight line |
| Computer equipment | - | 33.3% straight line |

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

1.10 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.11 Foreign currencies

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

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Statement of Financial Activities.

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**Notes to the financial statements
for the year ended 30 June 2015**

1. Accounting policies (continued)

1.12 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.13 Summer School expenditure

Expenditure incurred on the Summer School is carried forward to the following year when the related fee income is received in the Centre.

2. Net incoming resources / (resources expended)

This is stated after charging:

| | 2015 £ | 2014 £ |
|--|------------------|------------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 3,428 | 2,189 |
| Pension costs | 18,086 | 14,754 |
| Auditors' remuneration | 12,020 | 11,450 |
| Auditors' remuneration - non audit services | 4,200 | 7,120 |
| Operating lease rentals - office equipment | 12,073 | 15,619 |
| Operating lease rentals - land and buildings | <u>1,275,588</u> | <u>1,501,512</u> |

During the year, no Council of Management member received any remuneration, any benefits in kind or any reimbursement of expenses (2014 - £NIL).

3. Activities for generating funds

| | 2015 £ | 2014 £ |
|--------------------------|--------------|--------------|
| Non student housing fees | <u>6,591</u> | <u>6,889</u> |

4. Investment income

| | 2015 £ | 2014 £ |
|--|---------------|---------------|
| Bank and other interest receivable - UK | 413 | 158 |
| Income from other investments - Overseas | 36,026 | 41,469 |
| | <u>36,439</u> | <u>41,627</u> |

IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited

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**Notes to the financial statements
for the year ended 30 June 2015**

5. Incoming resources from charitable activities

| | 2015 £ | 2014 £ |
|---|------------------|------------------|
| Provision of educational programmes to students | 1,939,019 | 4,295,213 |
| | <u>1,939,019</u> | <u>4,295,213</u> |

6. Governance costs

| | 2015 £ | 2014 £ |
|----------------------------|---------------|---------------|
| Audit and accountancy fees | 13,900 | 13,650 |
| Wages and salaries | 2,908 | 2,768 |
| National Insurance | 310 | 293 |
| | <u>17,118</u> | <u>16,711</u> |

7. Expenditure on charitable activities

| | 2015 £ | 2014 £ |
|--|------------------|------------------|
| Tuition and university fees | 850,973 | 806,799 |
| Academic support costs | 152,158 | 121,260 |
| Student housing and meals | 1,846,946 | 1,973,479 |
| Student services | 338,306 | 288,950 |
| Rent | 136,837 | 126,462 |
| Building facilities management repairs | 11,230 | 31,694 |
| Property insurance | 9,878 | 10,224 |
| Other building costs | 30,736 | 33,010 |
| Marketing | 3,371 | 768 |
| Telecommunications | 17,738 | 39,228 |
| Legal and professional fees | 24,366 | 32,498 |
| Administration costs | 59,017 | 75,599 |
| Bank charges | (4,740) | 1,290 |
| Wages and salaries | 601,430 | 564,743 |
| National insurance | 51,986 | 47,878 |
| Pension cost | 18,086 | 14,754 |
| Depreciation | 3,428 | 2,189 |
| | <u>4,151,746</u> | <u>4,170,825</u> |

8. Taxation

All of the charity's income for the year is exempt from taxation and so there is no taxation liability for the year ended 30 June 2015 (2014 - £nil).

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**Notes to the financial statements
for the year ended 30 June 2015**

9. Staff costs

Staff costs were as follows:

| | 2015 | 2014 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 604,339 | 567,511 |
| Social security costs | 52,295 | 48,171 |
| Other pension costs | 18,086 | 14,754 |
| | 674,720 | 630,436 |

The average monthly number of employees during the year was as follows:

| | No. | No. |
|----------------|------------|------------|
| Administration | 13 | 13 |
| Academic | 19 | 19 |
| | 32 | 32 |

The number of higher paid employees was:

| | 2015 | 2014 |
|--------------------------------|-------------|-------------|
| | No. | No. |
| In the band £80,001 - £90,000 | 0 | 1 |
| In the band £90,001 - £100,000 | 1 | 0 |
| | 1 | 1 |

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**Notes to the financial statements
for the year ended 30 June 2015**

10. Tangible fixed assets

| | Short leasehold property £ | Furniture and equipment £ | Total £ |
|-----------------------|-------------------------------------|------------------------------------|------------|
| Cost | | | |
| At 1 July 2014 | 25,051 | 48,779 | 73,830 |
| Additions | - | 3,723 | 3,723 |
| At 30 June 2015 | 25,051 | 52,502 | 77,553 |
| Depreciation | | | |
| At 1 July 2014 | 8,104 | 48,779 | 56,883 |
| Charge for the year | 2,199 | 1,229 | 3,428 |
| At 30 June 2015 | 10,303 | 50,008 | 60,311 |
| Net book value | | | |
| At 30 June 2015 | 14,748 | 2,494 | 17,242 |
| At 30 June 2014 | 16,947 | - | 16,947 |

11. Debtors

| | 2015 £ | 2014 £ |
|--------------------------------|-----------|-----------|
| Other debtors | 17,709 | 8,163 |
| Prepayments and accrued income | 384,212 | 456,920 |
| | 401,921 | 465,083 |

12. Current asset investments

| | £ |
|---------------------------------|-------------|
| Market value at 1 July 2014 | 2,293,750 |
| Additions to investment at cost | 36,026 |
| Disposals to investment at cost | (2,450,001) |
| Net gain on revaluation | 398,095 |
| Market value at 30 June 2015 | 277,870 |

The investment is in equities held outside of the UK.

IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited

(A company limited by guarantee)

**Notes to the financial statements
for the year ended 30 June 2015**

**13. Creditors:
Amounts falling due within one year**

| | 2015 | 2014 |
|-------------------------------------|----------------|-------------|
| | £ | £ |
| Amounts owed to connected charities | 18,875 | 10,436 |
| Other taxation and social security | 15,459 | 13,289 |
| Other creditors | 20,937 | 77,792 |
| Accruals and deferred income | 53,598 | 41,788 |
| | 108,869 | 143,305 |

14. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund and the charge for the year amounted to £18,086 (2014 - £14,754).

15. Operating lease commitments

At 30 June 2015 the company had annual commitments under non-cancellable operating leases as follows:

| | 2015 | 2014 |
|-------------------------|----------------|-------------|
| | £ | £ |
| Expiry date: | | |
| Between 2 and 5 years | 10,954 | 1,448,129 |
| After more than 5 years | 110,000 | 110,000 |

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16. Connected Charities and Ultimate Controlling Party

The Institute for the International Education of Students based in Chicago, was founded as Institute for European Studies in the USA in 1950 as a private, non-profit educational institution sponsoring collegiate study programmes in Europe. As at 30 June 2015 there were more than 126 academic programs located in Europe, Asia, South America, Australia, New Zealand and Africa, including a centre in London.

The London Centre of the Institute for the International Education of Students (Illinois) Limited is a company incorporated in the United Kingdom and limited by guarantee. During the year, it received tuition and student housing fees of £1,933,450 (2014 - £4,292,590) from the Institute for the International Education of Students of 33 W. Monroe St, Suite 2300, Chicago, Illinois 60603-5405, USA, which is considered to be the ultimate controlling party.

During the year the company also made sales of their current asset investment for £2,450,001 to the Institute for the International Education of Students in Chicago. The funds generated from this disposal was used to supplement the reduction in funds received in the year for tuition and student housing fees.

At 30 June 2015, the company owed £18,875 (2014 - £10,436) to the Institute for the International Education of Students in Chicago in respect of expenses that had been paid on behalf of the company.

The Institute for the International Education of Students in Chicago has undertaken to provide adequate support to finance the company's operations.