

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 2022

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

Contents

	Page
Reference and administrative details of the charity, its Council of Management and advisers	1
Council of Management's report	2 - 7
Independent auditors' report	8 - 11
Statement of financial activities	12
Balance sheet	13
Statement of cash flows	14
Notes to the financial statements	15 - 25

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 Council of Management and advisers for the year ended 30 June 2022

Council of Management

Mr G Bennett
Ms K Cameron
Mr W Hoyer

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 2022**

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 2022. The Annual report serves the purposes of both a Council of Management' report and a directors' report under company law. The Council of Management confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

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 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 colleges and universities based in the U.S. and other countries. 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 students as part of their university curricula, to enrol students in complementary courses in British institutions, and to facilitate their participation in co-curricular activities such as internships.

b. 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, during the 2021-2022 fiscal year, IES Abroad committed more than \$4.9 million globally, to its financial aid programmes as it firmly believes that financial limitations should not prevent a qualified student from participating in an IES abroad programme. This amount is expected to increase annually. All IES London students are eligible to apply for this aid. In addition, IES offers grants of \$2,000 USD 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 and financial need. Other eligibility requirements apply to all financial aid.

**Council of Management's report (continued)
for the year ended 30 June 2022**

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

The major area of activity is the provision of educational programmes to students through running of various academic programmes; such as our standard Study London Program concentrating in British Literature and Drama, International Business as well as studies in such fields as communications, history, sociology, political science, film, and women's studies. Other standard programmes are the Health Practice & Policy Programme, and the Theatre Studies Programme. IES Abroad London also offers full-time internship programmes in the Fall, Spring, and Summer; as well as a number of London, Oxford and Cambridge based DE Programmes. Moreover, IES Abroad London organises and executes a number of faculty-led (CP) Programmes throughout the year for our consortium members. These run from 1 week, to an entire academic semester in length. Our internship and experiential learning opportunities enable students to gain work experience in British companies and charities, and other service providers whilst under academic supervision.

The Council of Management have considered and complied with the guidance on public benefit. In fact, in planning the objectives for the year, the Council of Management 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.

d. 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.

Achievements and performance

a. Review of activities

IES currently works with the following partner institutions: University College London, Queen Mary University of London, City University, Cambridge, RADA 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 based experiential 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 local councils, conservation work, working with the homeless, and volunteering at several museums and arts organisations in the city.

**Council of Management's report (continued)
for the year ended 30 June 2022**

Financial review

a. Going concern

The Council of Management has made appropriate enquires and considered the impact of the Covid-19 virus in considering the basis on which the annual report and accounts should be prepared. All Covid-19 related restrictions have now come to an end and the charity has returned to its normal activities in the provision of education to international students.

The Institute for the International Education of Students based in Chicago remains committed to providing the necessary funds and resources for the charity to continue in operational existence for the foreseeable future.

For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. 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 Institute for the International Education of Students in Chicago. .

c. Principal risks and uncertainties

The business activities of the charity are subject to events external to the charity's control and financial results can vary dramatically from past trends. In particular, terrorist events, pandemics, and political and economic turmoil can adversely impact student enrolment. Also, dramatic swings in foreign exchange rates can limit student enrolment and excess student housing, due to fluctuations in student enrolment, may necessitate the use of a third party to sell unused beds, occasionally resulting in financial losses.

d. Transactions and financial position

The Statement of Financial Activities shows net income for the year of £420,617 (2021: £66,062) and our reserves stand at £524,815 (2021: £104,198) in total.

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. Methods of appointment or election of Council of Management

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

**Council of Management's report (continued)
for the year ended 30 June 2022**

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The charity is organised so that the Council of Management meet once a year to review its affairs. There are at present 13 full-time and 2 part-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. Angela Ellermeier serves as the Associate Director & Dean of Faculty and Zosia Rutkowska as the Assistant Director & Head of Customised Programmes, both overseeing the Centre in the Director's absence. On the academic programme, the Director is supported also by Rohima Ahmed, Academics Manager. Also, the services of roughly 35 part-time lecturers are utilised to teach the various courses of the programme, as needed. The average tenure among these faculty members is roughly 6 years. To note is John's role as Cluster Dean of the Northwestern Europe Cluster.

d. 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.

e. Pay policy for senior staff

None of the Council of Management are remunerated by the charity. Due to the Coronavirus pandemic, the charity's staff did not undergo performance reviews annually in the spring and merit-based raises were not issued. The raise pool historically amounts to inflation over the prior year plus one percent and pending a positive performance review, merit-based raises are usually effective 1 July annually.

f. Related party relationships

The charity relies upon support and income from Institute for the International Education of Students. Details are set out in note 22 to the accounts.

g. 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.

Plans for future periods

IES Abroad London remains poised to expand its breadth and scope within its current programmes. To do this, IES Abroad London will be moving to a new location starting January, 2023. The Atkin Building, in The Honourable Society of Gray's Inn, will double our current space, and will offer expanded capacity for classrooms, faculty, staff and student areas. This move represents a significant step forward in meeting the growing needs of our organisation.

**Council of Management's report (continued)
for the year ended 30 June 2022**

Approach to fundraising

The charity's main source of income is tuition fees received from The Institute for the International Education of Students based in Chicago. As a result, the Council of Management do not consider it necessary to undertake any activities to raise funds from the public in order to fulfil the charity's objectives.

Statement of Council of Management's responsibilities

The Council of Management (who are also the directors of the company 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 company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Council of Management are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are 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**

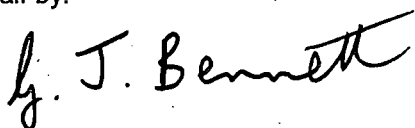
(A company limited by guarantee)

**Council of Management's report (continued)
for the year ended 30 June 2022**

Auditors

The auditors, Kreston Reeves LLP, have indicated their willingness to continue in office. The designated Council of Management will propose a motion reappointing the auditors at a meeting of the Council of Management.

Approved by order of the members of the board of Council of Management on 30 November 2022 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'G. J. Bennett', is written over the printed name.

Mr G Bennett

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

We have audited the financial statements of IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited (the 'charitable company') for the year ended 30 June 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2022 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Council of Management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council of Management with respect to going concern are described in the relevant sections of this report.

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 (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Council of Management are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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.
- the Council of Management's report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Council of Management's report.

We have nothing to report in respect of the following matters in relation to which 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 Council of Management's 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 take advantage of the small companies' exemptions in preparing the Council of Management's report and from the requirement to prepare a Strategic report.

Responsibilities of the Council of Management

As explained more fully in the Council of Management's responsibilities statement, the Council of Management (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, and for such internal control as the Council of Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council of Management are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council of Management either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the charitable company and its sector, and through discussion with the Council of Management and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council of Management.
- Conclude on the appropriateness of the Council of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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 opinions we have formed.

Kreston Reeves LLP

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

30 November 2022

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 2022**

	Note	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:				
Donations and legacies	5	2,458	2,458	466,766
Charitable activities	6	4,980,182	4,980,182	628,354
Other trading activities	7	-	-	129
Investments	8	86	86	1
Total income		4,982,726	4,982,726	1,095,250
Expenditure on:				
Charitable activities	9	4,562,109	4,562,109	1,029,188
Total expenditure		4,562,109	4,562,109	1,029,188
Net movement in funds		420,617	420,617	66,062
Reconciliation of funds:				
Total funds brought forward		104,198	104,198	38,136
Net movement in funds		420,617	420,617	66,062
Total funds carried forward		524,815	524,815	104,198

All activities relate to continuing operations.

The Statement of financial activities includes all gains and losses recognised in the year.

In 2021 and 2022, all income and expenditure related to unrestricted funds.

The notes on pages 15 to 25 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

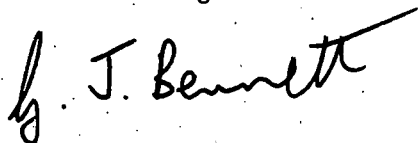
**Balance sheet
as at 30 June 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	-	1,626
Investments	12	2	-
		<u>2</u>	<u>1,626</u>
Current assets			
Debtors	13	699,943	129,418
Cash at bank and in hand		186,619	67,683
		<u>886,562</u>	<u>197,101</u>
Creditors: amounts falling due within one year	14	(361,749)	(94,529)
Net current assets		<u>524,813</u>	<u>102,572</u>
Total net assets		<u><u>524,815</u></u>	<u><u>104,198</u></u>
Charity funds			
Unrestricted funds		524,815	104,198
Total funds		<u><u>524,815</u></u>	<u><u>104,198</u></u>

The Council of Management acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Council of Management on 30 November 2022 and signed on their behalf by:



Mr G Bennett
Member of Council

The notes on pages 15 to 25 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)

Statement of cash flows
for the year ended 30 June 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	17	118,938	(145,493)
Cash flows from investing activities			
Purchase of investments		(2)	-
Net cash (used in)/provided by investing activities		(2)	-
Change in cash and cash equivalents in the year		118,936	(145,493)
Cash and cash equivalents at the beginning of the year		67,683	213,176
Cash and cash equivalents at the end of the year	18	186,619	67,683

The notes on pages 15 to 25 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)

**Notes to the financial statements
for the year ended 30 June 2022**

1. General information

IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited is a company limited by guarantee, incorporated in England and Wales.

The registered office is 5 Bloomsbury Place, London, United Kingdom, WC1A 2QP.

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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

IES London, The London Centre of the Institute for the International Education of Students (Illinois) Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The charity's functional and presentational currency is pounds sterling.

The charity's financial statements are presented to the nearest pound.

2.2 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. All Covid-19 related restrictions have now come to an end and so the charity has returned to its normal activities in the provision of education to international students.

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

2.3 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.

**Notes to the financial statements
for the year ended 30 June 2022**

2. Accounting policies (continued)

2.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

Housing fees are accounted for on an accruals basis and so income received relating to future accounting periods is deferred.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

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

2.6 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.8 Foreign currencies

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

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing \$5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

**Notes to the financial statements
for the year ended 30 June 2022**

2. Accounting policies (continued)

2.9 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

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

2.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.11 Debtors

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

2.12 Cash at bank and in hand

Cash at bank and 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.

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.14 Financial instruments

The company 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.

2.15 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**Notes to the financial statements
for the year ended 30 June 2022**

2. Accounting policies (continued)

2.16 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.

2.17 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.

2.18 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.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgment:

The charity has entered into a range of lease commitments in respect of property and equipment. The classification of these leases as either financial or operating leases requires the Council of Management to consider whether the terms and conditions of each lease are such that the charity has acquired the risks and rewards associated with the ownership of the underlying assets.

4. Net incoming resources / (resources expended)

	2022	2021
	£	£
Depreciation of tangible fixed assets	1,626	2,189
Auditors' remuneration - audit	16,080	14,585
Auditors' remuneration - non audit services	8,225	5,150
Operating lease rentals - office equipment	9,481	8,189
Operating lease rentals - land and buildings	189,180	186,875

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 2022**

5. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Government grants	2,458	2,458	466,766
	<u>2,458</u>	<u>2,458</u>	<u>466,766</u>

6. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Provision of educational programmes to students	4,979,162	4,979,162	628,354
Provision of accommodation to students	1,020	1,020	-
	<u>4,980,182</u>	<u>4,980,182</u>	<u>628,354</u>

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 2022**

7. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Letting income	-	-	129
	<u> </u>	<u> </u>	<u> </u>

8. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank and other interest receivable - UK	86	86	1
	<u> </u>	<u> </u>	<u> </u>

9. Expenditure on charitable activities

	2022 £	2021 £
Tuition and university fees	1,047,627	-
Academic support costs	157,915	2,147
Student housing and meals	1,725,412	-
Student services	217,792	908
Rent	255,704	186,683
Building facilities management repairs	20,359	1,318
Property insurance	7,791	7,262
Other building costs	42,936	22,477
Telecommunications	30,063	11,053
Professional costs	47,464	29,636
Administration costs	34,120	24,285
Bank charges	1,560	670
Wages and salaries	863,396	657,201
National insurance	74,848	52,867
Pension cost	33,496	30,492
Depreciation	1,626	2,189
	<u>4,562,109</u>	<u>1,029,188</u>

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 2022**

10. Staff costs

	2022 £	2021 £
Wages and salaries	863,396	657,201
Social security costs	74,848	52,867
Contribution to defined contribution pension schemes	33,496	30,492
	<u>971,740</u>	<u>740,560</u>

The average number of persons employed by the company during the year was as follows:

	2022 No.	2021 No.
Administration	12	5
Academic	24	30
	<u>36</u>	<u>35</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No.	2021 No.
In the band £90,001 - £100,000	-	1
In the band £140,001 - £150,000	1	-

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 2022**

11. Tangible fixed assets

	Short leasehold property £	Furniture and Equipment £	Total £
Cost or valuation			
At 1 July 2021	25,050	28,940	53,990
At 30 June 2022	25,050	28,940	53,990
Depreciation			
At 1 July 2021	23,424	28,940	52,364
Charge for the year	1,626	-	1,626
At 30 June 2022	25,050	28,940	53,990
Net book value			
At 30 June 2022	-	-	-
At 30 June 2021	1,626	-	1,626

12. Fixed asset investments

	Unlisted investments £
Cost or valuation	
Additions	2
At 30 June 2022	2

13. Debtors

	2022 £	2021 £
Due within one year		
Other debtors	10,533	6
Prepayments and accrued income	689,410	129,412
	699,943	129,418

**Notes to the financial statements
for the year ended 30 June 2022**

14. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other taxation and social security	21,567	18,980
Other creditors	252,423	5,875
Accruals and deferred income	87,759	69,674
	361,749	94,529

15. Taxation

The charity has no taxation liability for the year ended 30 June 2022 (2021 - £nil)

16. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at amortised cost	10,533	6
	2022 £	2021 £
Financial liabilities		
Financial liabilities measured at amortised cost	361,749	75,549

Financial assets measured at amortised cost comprise of other debtors.

Financial liabilities measured at amortised cost comprise of other taxation and social security creditors, other creditors and accruals.

**Notes to the financial statements
for the year ended 30 June 2022**

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net income for the year (as per Statement of Financial Activities)	420,617	66,062
Adjustments for:		
Depreciation charges	1,626	2,189
Increase in debtors	(570,525)	(94,300)
Increase/(decrease) in creditors	267,220	(119,444)
Net cash provided by/(used in) operating activities	118,938	(145,493)

18. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand	186,619	67,683
Total cash and cash equivalents	186,619	67,683

19. Analysis of changes in net debt

	At 1 July 2021 £	Cash flows £	At 30 June 2022 £
Cash at bank and in hand	67,683	118,936	186,619
	67,683	118,936	186,619

20. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £33,496 (2021 - £30,492).

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 2022**

21. Operating lease commitments

At 30 June 2022 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	1,643,351	200,396
Later than 1 year and not later than 5 years	1,718	56,434
	<u>1,645,069</u>	<u>256,830</u>

22. 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 2022 there were more than 135 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 £4,979,162 (2021 - £628,354) 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.

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