



Institute and Faculty Education Limited

Annual Report and Financial Statements

For the year ended 31 December 2011

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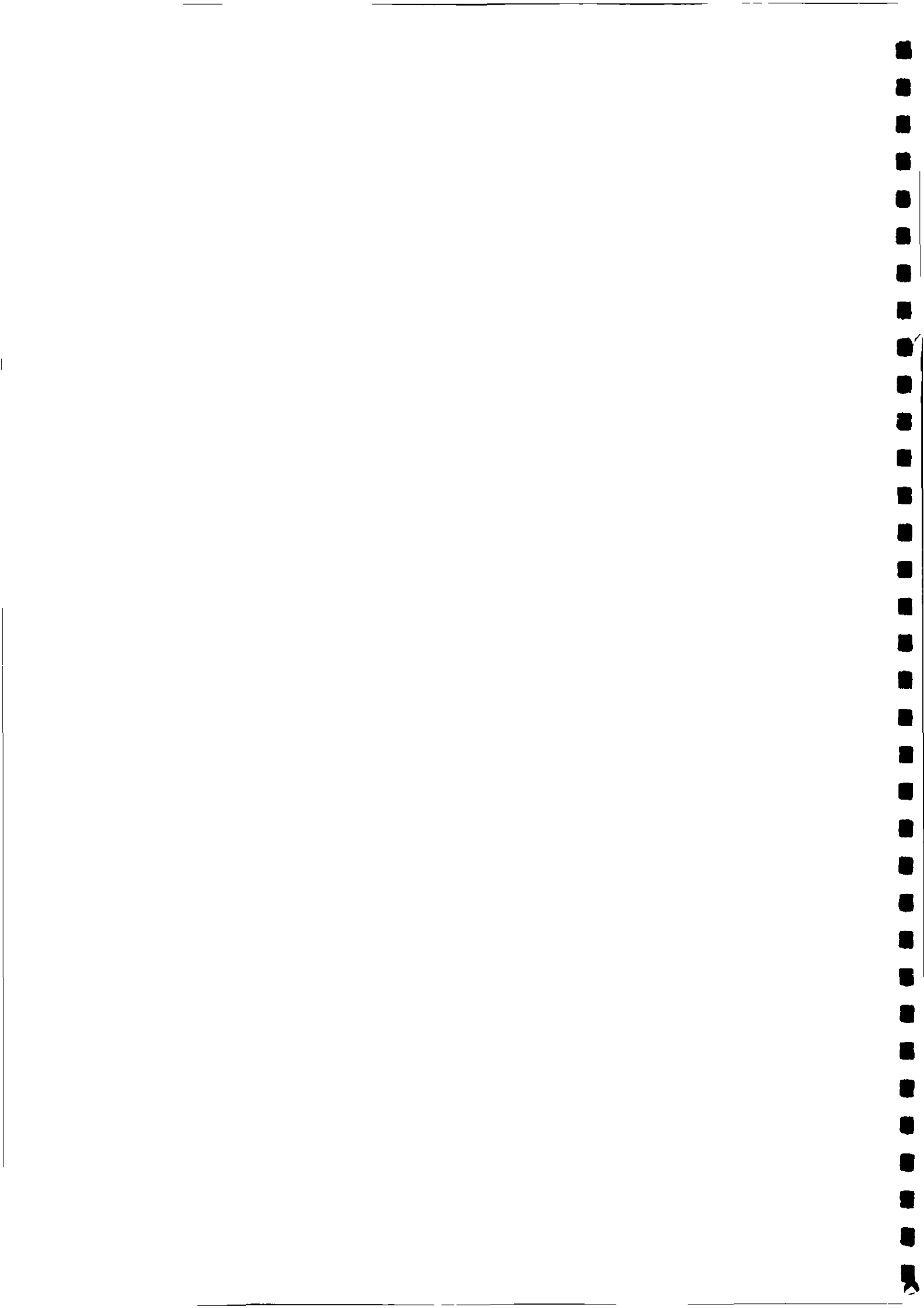
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INSTITUTE AND FACULTY EDUCATION LIMITED

Company Registration no: 03037559

COMPANY INFORMATION

DIRECTORS

Nicholas Dumbreck (Chairman)
Paul King
Trevor Watkins – Appointed 17 May 2011
Caroline Instance – Resigned 30 April 2011
Richard Maconachie – Resigned 31 October 2011

COMPANY NO

03037559

REGISTERED ADDRESS

Staple Inn Hall,
High Holborn,
London,
WC1V 7QJ

AUDITORS

Mazars
The Pinnacle,
160 Midsummer Boulevard,
Milton Keynes,
MK9 1FF

BANKERS

Barclays Bank
1st floor,
Soho Square,
London,
W1D 3QR

INSTITUTE AND FACULTY EDUCATION LIMITED

Company Registration no: 03037559

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INSTITUTE AND FACULTY EDUCATION LIMITED

Company Registration no: 03037559

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors submit their report together with the audited financial statements of the company for the year ended 31 December 2011

Results and dividends

The profit and loss account for the year is set out on page 7. The directors do not recommend payment of a dividend for the year (2010 £nil)

Principal activity and review of the business

The principal activity of the company is the provision of training and educational services for students taking the professional examinations of the Institute and Faculty of Actuaries

The company is satisfied with its performance during the year

Future developments

The directors expect that the present level of activity will be sustained for the foreseeable future

Auditors

A resolution to reappoint Mazars LLP as auditors to the Company and to authorise the directors to fix their remuneration will be proposed at the Annual General Meeting

Statement of disclosure to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

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

Directors and their interests

The directors who served during the year were

Nicholas Dumbreck (Chairman)

Paul King

Trevor Watkins – Appointed 17 May 2011

Caroline Instance – Resigned 30 April 2011

Richard Maconachie – Resigned 31 October 2011

None of the directors had any interest in the shares of the company at 31 December 2011, nor at any other time during the year. No rights to subscribe for shares in or debentures of the company or anybody corporate in the same group were granted or exercised during the year.

The report of the directors has been prepared in accordance with section 415A of the Companies Act 2006

Approved by the Board of Directors and signed on its behalf


NJ Dumbreck
28 May 2012

INSTITUTE AND FACULTY EDUCATION LIMITED

Company Registration no' 03037559

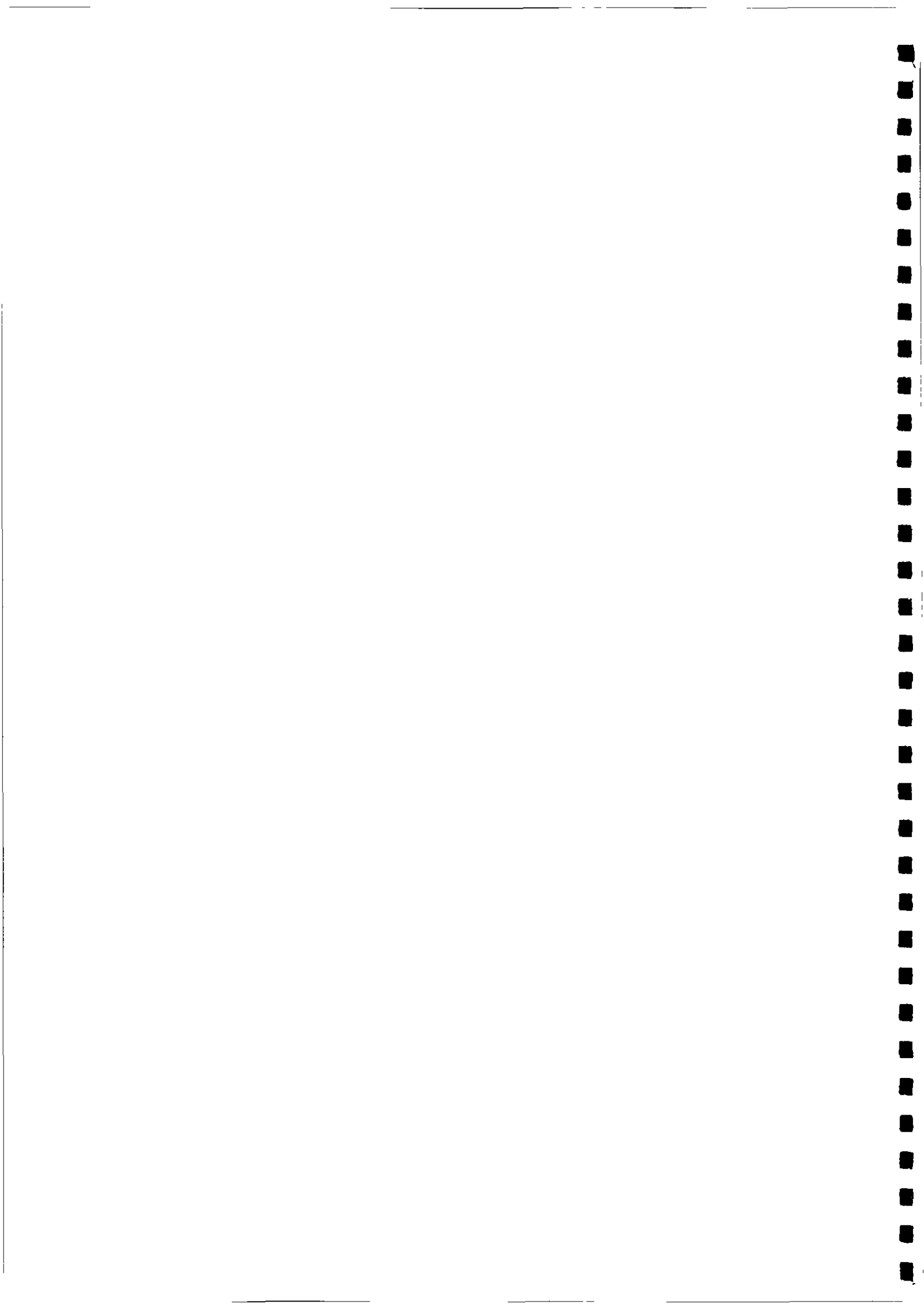
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 directors 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.



INSTITUTE AND FACULTY EDUCATION LIMITED

Company Registration no: 03037559

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011 INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTITUTE AND FACULTY EDUCATION LIMITED

We have audited the financial statements of Institute and Faculty Education Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, Balance Sheet, 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors 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 (APB's) Ethical Standards for Auditors. This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

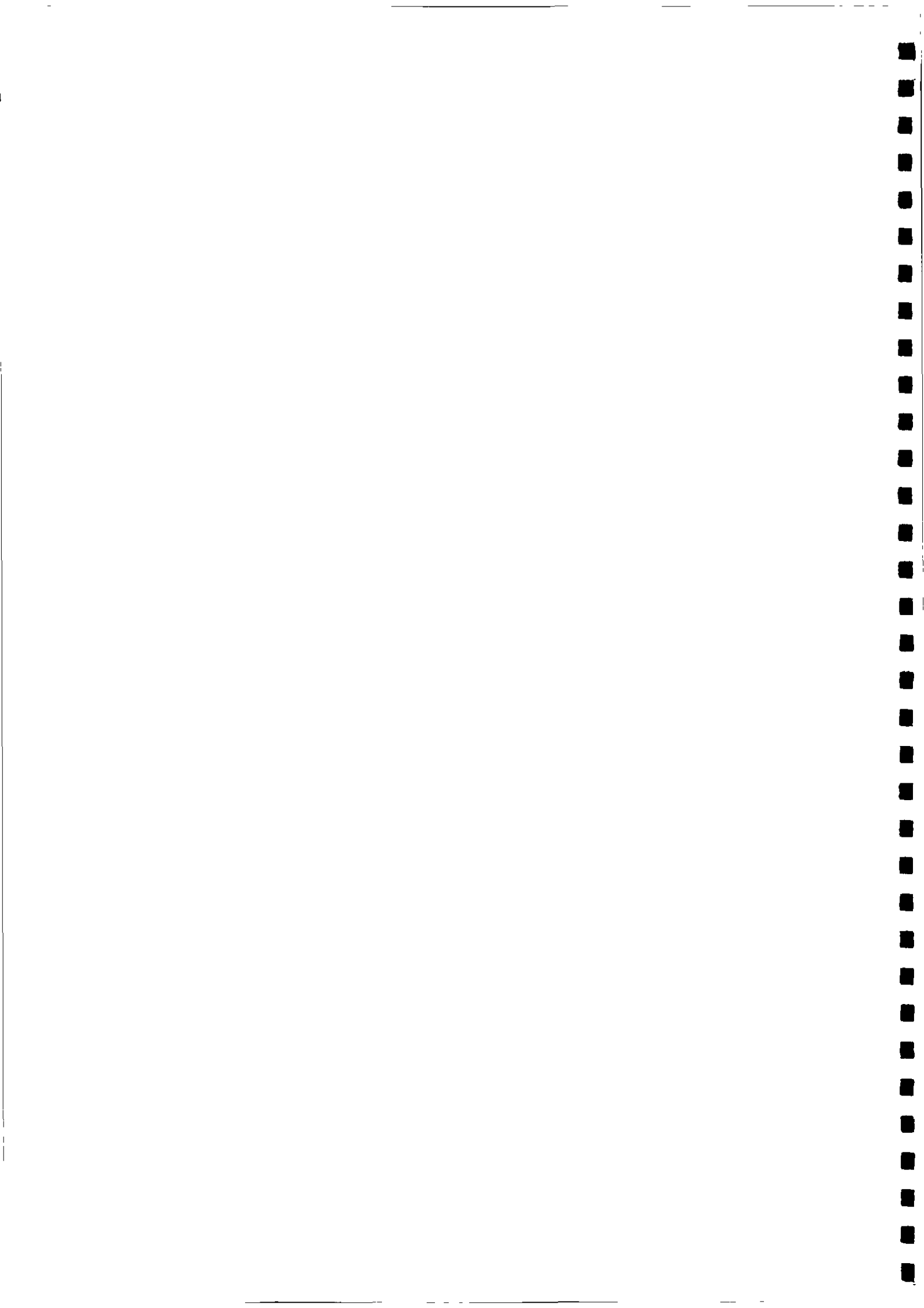
Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of the company's profit for the period 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.



INSTITUTE AND FACULTY EDUCATION LIMITED

Company Registration no: 03037559

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INSTITUTE AND FACULTY
EDUCATION LIMITED continued**

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 by the company, 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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Stephen Brown

Stephen Brown (senior statutory auditor)

For and on behalf of Mazars LLP, Chartered Accountants (Statutory auditor)

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date *26 June 2012*

INSTITUTE AND FACULTY EDUCATION LIMITED

Company Registration no: 03037559

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

| | Note | 2011 £ | 2010 £ |
|---|------|--------------|--------------|
| Turnover | 2 | 6,247,637 | 5,868,125 |
| Cost of sales | | - | - |
| Gross Profit | | 6,247,637 | 5,868,125 |
| Administration expenses | | (6,247,637) | (5,868,125) |
| Profit on ordinary activities before taxation | | - | - |
| Tax on ordinary activities | 2 | - | - |
| Profit on ordinary activities after taxation | | - | - |

All business activities are continuing in nature

There are no recognised gains or losses in the year ended 31 December 2011 and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents

The notes on pages 9 to 11 form an integral part of these financial statements

INSTITUTE AND FACULTY EDUCATION LIMITED

Company Registration no: 03037559

BALANCE SHEET AT 31 DECEMBER 2011

| | Note | 2011 £ | 2010 £ |
|--|------|------------------|------------------|
| ASSETS | | | |
| Debtors | 5 | 1,665,145 | 1,656,391 |
| Cash at bank and in hand | | 15,348 | 11,758 |
| | | <u>1,680,493</u> | <u>1,668,149</u> |
| CREDITORS amounts falling due within one year | 6 | (1,680,483) | (1,668,139) |
| Net Current Assets | | <u>10</u> | <u>10</u> |
| Capital and Reserves | | | |
| Called up share capital | 7 | 10 | 10 |
| Profit and loss account | 8 | - | - |
| Total shareholders' funds | | <u>10</u> | <u>10</u> |

These financial statements have been prepared in accordance with the special provisions of Statutory Instrument 2008/409 under Companies Act 2006

The financial statements and related notes on pages 7 to 11 were approved and authorised for issue by the board of directors on 28 May 2012 and were signed on their behalf by



NJ Dumbreck
28 May 2012

The notes on pages 9 to 11 form an integral part of these financial statements

INSTITUTE AND FACULTY EDUCATION LIMITED

Company Registration no. 03037559

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2011

1 Accounting policies

- (a) The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom
- (b) Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted
- (c) Turnover represents the invoiced amount of goods and services provided during the year, stated net of value added tax. Amounts invoiced but unearned at the yearend are treated as deferred revenue
- (d) Sales of materials are recognised when the goods are shipped. Sales of marking and tutorial services are recognised as the services are provided. Administrative costs are matched to services provided
- (e) The audit fee of £6,000 (2010: £6,500) is met by the Actuarial Education Company Limited
- (f) The tax position of £NIL (2010: NIL) is based on the tax rate of the company being 28%. There are no reconciling items

2 Turnover

Turnover is attributable to one continuing activity, the provision of actuarial training

The company has appointed Actuarial Education Company Limited to provide this activity and the costs so arising are dealt with as administrative costs

Turnover by geographic region is as follows

| | Year ended 31 December 2011 £ | Year ended 31 December 2010 £ |
|----------------|--|--|
| United Kingdom | 5,254,222 | 4,928,708 |
| European Union | 516,120 | 416,291 |
| Africa | 285,627 | 341,900 |
| Other | 191,668 | 181,226 |
| TOTAL | 6,247,637 | 5,868,125 |

3 Directors and employees

The Company had no employees during the period. None of the Directors are employed by the Company

There was no Directors' remuneration for the period (2010: £nil)

INSTITUTE AND FACULTY EDUCATION LIMITED

Company Registration no: 03037559

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2011

4 Investments

Institute and Faculty Education Limited owns 1 special share in Actuarial Education Company Limited (ActEd). This share has no voting rights or entitlement to dividends or proceeds on winding up of ActEd. In addition to the other normal rights of a majority shareholder, this special share must consent in writing to any increase in excess of 20% in remuneration of any director of ActEd or any employees earning more than £50,000 per annum, the assumption of borrowing by ActEd which would result in the aggregate principal amount owing by ActEd exceeding £25,000, and the incurring of any capital expenditure in excess of £20,000 for any single item.

5 Debtors

| | 2011 £ | 2010 £ |
|----------------------|------------------|------------------|
| Trade debtors | 480,955 | 464,201 |
| Deferred expenditure | 1,184,190 | 1,192,190 |
| | <u>1,665,145</u> | <u>1,656,391</u> |

6 Creditors amounts falling due within one year

| | 2011 £ | 2010 £ |
|--|------------------|------------------|
| Other creditors | 45,636 | 34,369 |
| Deferred revenue | 1,184,190 | 1,192,190 |
| Owing to Actuarial Education Company Limited | 450,657 | 441,580 |
| | <u>1,680,483</u> | <u>1,668,139</u> |

INSTITUTE AND FACULTY EDUCATION LIMITED

Company Registration no 03037559

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2011

7 Share capital

| | Authorised £1 ordinary shares | Allotted, issued and fully paid ordinary shares |
|---------------------|----------------------------------|---|
| | Number | £ |
| At 31 December 2011 | <u>100</u> | <u>10</u> |
| At 31 December 2010 | <u>100</u> | <u>10</u> |

All ordinary shares carry one vote and are entitled to an equal share of any proceeds upon wind up of the company

8 Reconciliation of shareholders' funds and movements on reserves

| | Share Capital | Profit & loss account | Total |
|---------------------|------------------|--------------------------|-----------|
| | £ | £ | £ |
| At 31 December 2011 | <u>10</u> | <u>-</u> | <u>10</u> |
| At 31 December 2010 | <u>10</u> | <u>-</u> | <u>10</u> |

9 Related party transactions

The company is the provider of training and educational services for students taking the professional examinations of the Institute and Faculty of Actuaries. The company wholly contracts out these services to Actuarial Education Company Limited (ActEd) and as a result accounts for a significant portion of the company's turnover. Some of this income is from students originating outside the United Kingdom and has been included as non UK turnover (see note 2 for details). At 31 December 2011 the balance owed by the company to ActEd was £450,657 (2010 £441,580).

At 31 December 2011 the company did not have a balance outstanding with the Institute and Faculty of Actuaries (2010 nil).

10 Ultimate parent company and controlling party

Institute and Faculty Education Limited is a 100% subsidiary undertaking of the Institute and Faculty of Actuaries which is a body incorporated by Royal Charter.