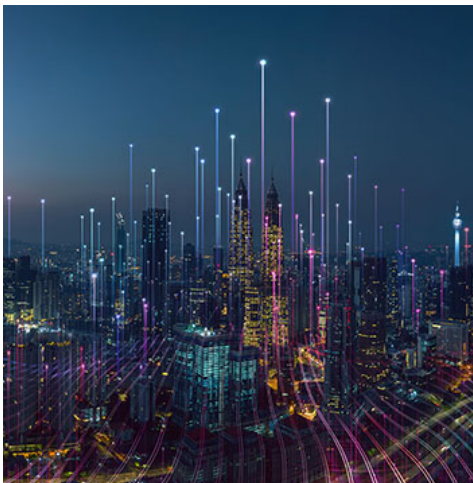




# AIA

THE ASSOCIATION  
OF INTERNATIONAL  
ACCOUNTANTS





## AIA Annual Report and Accounts

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### KEY PERSONNEL

Chief Executive  
Philip J J Turnbull

Secretary to the Council  
Doreen Bland

Director of Operations  
David Potts

Director of Development  
Sharon Gorman

Director of Policy & Public Affairs  
Rachel Rutherford

### Bankers

Barclays Bank PLC  
1 Churchill Place  
London  
E14 5HP  
United Kingdom

### Solicitors

Lee Bolton Monier-Williams  
1 The Sanctuary  
Westminster  
London  
SW1P 3JT  
United Kingdom

### Auditors

Robson Laidler Accountants Limited  
Fernwood House  
Fernwood Road  
Jesmond  
Newcastle upon Tyne  
NE2 1TJ  
United Kingdom

# WELCOME

2018-2019 was the first year of delivering the Association of International Accountants (AIA) strategy that takes the organisation through to 2024. It forms the basis on changes and developments that will support the AIA through a transition period in which there are many fundamental changes afoot. Internally these include a new brand, logo, website and qualification and externally we are yet to see the full implications of the coronavirus pandemic, Brexit, audit reform and the global economy.

## **Vision: Creating world class accountants**

AIA is a leading force in the accountancy profession, providing a strong voice, superior qualifications and unrivalled support for SME accountants worldwide.

## **Mission**

AIA is a membership organisation providing world class qualifications, training and services to support SME accountants throughout their working lives, equipping them with the skills,

knowledge and expertise to ensure they are at the forefront of their profession. We act in the public interest and promote and develop the accountancy profession and the interests of our Members.

## **Our difference**

In addition to career credibility, recognition and ethical understanding that are the foundations of AIA membership, we also provide exceptional member services at every stage of your career, tailoring guidance and support to ensure best practice and career growth.

For students and those considering a career in accountancy, AIA believes in widening access to the profession and continues to work hard to develop a route to qualification and membership for all. Maintaining a qualification framework and ethical code that is robust in its testing and demanding in its expectation.

AIA works for greater public understanding of the accountancy sector via financial education, communication and consultation and is actively engaging with government, regulators, standard-setters, businesses and other professional bodies on areas that affect the profession.



# PRESIDENT AND CHIEF EXECUTIVE'S STATEMENT

AIA's vision for 2024 is to build on the achievements of the past whilst developing as an accountancy body, with a strong voice in the profession and at the forefront of regulatory and professional development. We will be a primary choice for both aspiring and qualified accountants, known for offering our Members and Students an outstanding customer experience with world class service provision and support. We will be an organisation with a strong global reputation and market position, underpinned by a sustainable, effective and agile infrastructure that will ensure our long-term success.

At the time of preparing this report we are in the midst of a global pandemic and the accountancy profession, like other industries, is facing significant obstacles which we must overcome. AIA must be able to anticipate and respond to the evolving landscape and the next few years will be challenging as we develop new working processes and adapt our policies to ensure our exams and operations can continue in a safe environment. In addition, continued globalisation of reporting standards, new forms of regulation and evolving technologies are both challenges and developments that the AIA and the wider profession will continue to face.

Globalisation continues rapidly, creating more opportunities as we see greater overseas outsourcing and the transfer of technical and professional skills. As a pioneering global accountancy body, this is an opportunity for AIA to use our expertise to educate the next generation of accountants in emerging and developing markets. Working alongside our global partners, we have developed a strategic model that will ensure our continued growth and development in both current and new markets.

Increased regulation will continue to have a huge impact on the profession, and we will continue the work we have already undertaken to ensure we are at the forefront of the profession and leading the way in our approach to these issues. AIA's engagement with government, standard-setters, regulators and other stakeholders forms an integral part of the services that we provide for members and ensures that we remain at the forefront of the profession by shaping its future. Through consultation, lobbying and partnerships AIA has been successful in ensuring that members' voices are heard and provide feedback and comment on all areas that impact on our members working environment, ensuring that best practice is maintained.

We continually review new technologies and explore ways in which we can utilise them to communicate and educate our Members, as well as embracing how these technologies can improve our productivity and provide a better customer experience. The outcome of this will be seen in the short term with the launch of a new website with greater integration and customer relationship management tools to enhance the AIA's services to members.



AIA's reputation is crucial to our ability to function and advocate on behalf of our members and the values we place at the centre of the organisation are fundamental to supporting this work. AIA works to protect the public interest by making sure its firms, members, students and partners maintain the highest standards of professional competency and conduct and in doing so promote trust and inspire confidence in the profession.



We do this by adhering to four core values of Excellence, Integrity & Respect, Collaboration and Innovation in all that we do, under the principle of One AIA.

Our primary focus throughout this period has been the safety of our members, staff and partners, however we have also been able to adapt to ensure minimal disruption to our service provision. As a result of the coronavirus pandemic, this report has been prepared with a main focus on the audited accounts, which show a small operating surplus during a year in which we have invested heavily in our new qualification, brand and infrastructure to future proof the AIA.

# GOVERNANCE AND STRUCTURE

AIA operates under the terms of the constitution, bye-laws and regulations and is regulated by the Financial Reporting Council as a recognised qualifying body, the Irish Accounting and Auditing Supervisory Authority as a prescribed body, working within a framework that is committed to the highest standards of corporate governance.

## THE COUNCIL

The Council is responsible for reviewing and setting AIA strategy and ensuring that operational, financial and development work is managed effectively and are representative of the AIA membership profile. The Council met five times throughout the period.

In addition, AIA operates a number of committees which have specialist knowledge and meet to review, report and make decisions on areas such as disciplinary, examinations, practice compliance and finance. The committees are made up of a mixture of members and lay members, as detailed in the AIA

Constitution. The committees perform a vital function within AIA as a transparent and independent reporting and decision-making mechanism. Council and Committee members do not receive remuneration for their role.

The Council members shown below were elected as President and Vice President for the period of the report.

President:	L D Bradley
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Vice President:	S Moallemi
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Vice President:	M Timoney
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Our Council and our policy agenda ensures that AIA is an authoritative voice within the accountancy sector and assists in our commitment to raising standards. Through research and member engagement, AIA responds to key issues affecting the profession and ensures we provide members with the most up to date guidance and information, allowing them to work to the highest professional and ethical standards.

## COMPANY INFORMATION

- AIA Registered Office**  
Staithes 3  
The Watermark  
Metro Riverside  
Newcastle upon Tyne  
NE11 9SN  
United Kingdom  
  
Registered number: 00264086  
(England and Wales)
- Ghana Branch**  
Ofosuah House Chambers  
Hanson Road  
PO Box GP428  
Accra  
Ghana  
T: +233 2151 0620  
E: ghana@aiaworldwide.com
- Malaysia Branch**  
59-1 Jalan Komersil Senawang 7  
Taman Komersil Senawang  
70450 Seremban  
Negeri Sembilan  
Darul Khusus  
Malaysia  
T: +606 6787 311  
F: +606 6787 873  
E: malaysia@aiaworldwide.com
- AIA UK Beijing Representative Office**  
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Chaoyang District  
Beijing  
People's Republic of China  
T: +86 10 586 73431  
E: china@aiaworldwide.com
- Greece Branch**  
Voulgari 22 & Papadaki  
Thessaloniki  
Greece  
T: +30 2310 326 805  
E: greece@aiaworldwide.com
- Singapore Branch**  
Singapore Professional Centre  
93 Toa Payoh Central  
Toa Payoh Community Building #05-01  
228149  
Singapore  
T: +65 6425 3761  
F: +65 6425 3762  
E: singapore@aiaworldwide.com
- Cyprus Branch**  
2 Dinokratous Street  
Amaral 25 Office 302  
PO Box 20386  
Nicosia 2151  
Cyprus  
T: +357 2275 9990  
F: +357 2275 9993  
E: cyprus@aiaworldwide.com
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Rooms 2805-07, Paul Y Centre  
51 Hung To Road  
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Hong Kong  
T: +852 2845 4982  
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E: hongkong@aiaworldwide.com

# THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2019

### DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2018 to the date of this report.

H G McCormack	M Timoney
L D Bradley	P M Ford
A R Lamb	T Oozeerally
S Moallemi	M Chow
V Carpenter	K S Jong
M N Jidin	S E K Ganu
G A Josephakis	L M F Richards
G Murray	

Other changes in directors holding office are as follows:  
J Block - resigned 19 July 2019 and S Moallemi resigned and was reappointed during the period.

### FINANCIAL INSTRUMENTS

The company has a bank loan which is interest bearing and which is secured on the company's freehold property. The applicable loan interest rates are linked to movements in the bank base rates. Interest rate risk with regard to unfavourable interest rate movements is not considered to be material to the financial statements due to the arrangements in place.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 surplus or deficit 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 judgements 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### AUDITORS

The auditors, Robson Laidler Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

### ON BEHALF OF THE BOARD:



L D Bradley - Director

Date: 30 July 2020

# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS FOR THE YEAR ENDING 30 SEPTEMBER 2019

## Opinion

We have audited the financial statements of The Association of International Accountants (the 'company') for the year ended 30 September 2019 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, 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 company's affairs as at 30 September 2019 and of its surplus 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Material uncertainty related to going concern

We draw attention to note 3 in the financial statements which summarises the current position with regard to the Coronavirus outbreak. As stated in note 3 these events and conditions indicate that a material uncertainty exists that may cast significant doubt on

the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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 directors' remuneration specified by law are not made; or

# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS FOR THE YEAR ENDING 30 SEPTEMBER 2019

- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

## Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors 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 directors determine 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

## Note:

The maintenance and integrity of the Association of International Accountants website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

## Use of our report

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 a Report of the Auditors 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.



Peter Charles BSc FCA (Senior Statutory Auditor)

for and on behalf of Robson Laidler Accountants Limited

Statutory Auditor  
Fernwood House  
Fernwood Road  
Jesmond  
Newcastle upon Tyne  
Tyne and Wear  
NE2 1TJ

Date: 31 July 2020

# INCOME STATEMENT

## FOR THE YEAR ENDING 30 SEPTEMBER 2019

	Notes	2019		2018	
		£	£	£	£
<b>TURNOVER</b>			<b>1,544,757</b>		1,665,080
Administrative expenses			<b>1,482,975</b>		1,624,537
			<b>61,782</b>		40,543
Other operating income			<b>7,756</b>		13,367
<b>OPERATING SURPLUS</b>			<b>69,538</b>		53,910
Exceptional operating costs	5		<b>69,189</b>		22,516
			<b>349</b>		31,394
Income from fixed asset investments		8,295		7,451	
Interest receivable and similar income		1,598		1,097	
			<b>9,893</b>		8,548
			<b>10,242</b>		39,942
Gain/(loss) on revaluation of investments			<b>(2,178)</b>		(12,256)
			<b>8,064</b>		27,686
Interest payable and similar expenses			<b>6,080</b>		5,584
<b>SURPLUS BEFORE TAXATION</b>			<b>1,984</b>		22,102
Tax on surplus			<b>304</b>		197
<b>SURPLUS FOR THE FINANCIAL YEAR</b>			<b>1,680</b>		21,905

The notes form part of these financial statements

# BALANCE SHEET

## AS AT 30 SEPTEMBER 2019

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	6	1,095,528	1,116,655
<b>CURRENT ASSETS</b>			
Stocks		6,178	8,736
Debtors	7	463,933	564,486
Investments	8	114,870	109,087
Cash at bank		765,156	555,663
		<b>1,350,137</b>	<b>1,237,972</b>
<b>CREDITORS</b>			
Amounts falling due within one year	9	645,227	530,437
<b>NET CURRENT ASSETS</b>		<b>704,910</b>	<b>707,535</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,800,438</b>	<b>1,824,190</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	308,967	334,399
<b>NET ASSETS</b>		<b>1,491,471</b>	<b>1,489,791</b>
<b>RESERVES</b>			
Income and expenditure account		1,491,471	1,489,791
		<b>1,491,471</b>	<b>1,489,791</b>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements were approved by the Board of Directors on 30 July 2020 and were signed on its behalf by:



L D Bradley - Director

The notes form part of these financial statements

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Retained earnings	Total equity
	£	£
<b>Balance at 1 October 2017</b>	1,467,886	1,467,886
<b>Changes in equity</b>		
Total comprehensive income	21,905	21,905
<b>Balance at 30 September 2018</b>	1,489,791	1,489,791
<b>Changes in equity</b>		
Total comprehensive income	1,680	1,680
<b>Balance at 30 September 2019</b>	1,491,471	1,491,471

The notes form part of these financial statements

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 1. STATUTORY INFORMATION

The Association of International Accountants is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found in the Governance and Structure section.

The presentation currency of the financial statements is the Pound Sterling (£).

The financial statements are rounded to the nearest £1.

### 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

### 3. ACCOUNTING POLICIES

#### Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Due to the company's significant presence in China and other Asian countries, the Coronavirus outbreak may have a significant impact on the company's future income, profits and cashflow.

At present the company has sufficient resources to continue for the foreseeable future and the directors are seeing a gradual return to normality as the lockdown procedures are eased in the affected countries.

Therefore, the financial statements have been prepared on a going concern basis which, in the opinion of the directors, is the appropriate basis. In the event that the company is unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amount and re-classify long term liabilities as current liabilities.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

#### Significant judgements and estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements. If, in the future, such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and judgements will be modified as appropriate in the year in which the circumstances change.

The key assumptions concerning the future and other key

sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

The estimated useful lives of tangible fixed assets

#### Turnover

Turnover is measured at the fair value of the consideration received or receivable. The policies adopted for the recognition of turnover are as follows:

#### Subscription income

(i) The subscription year commences on 1 October in each financial year when the annual subscription is due for the year ending 30 September of the following year.

(ii) Subscription income is recognised on a straight line basis over the term of the subscription period. Subscription income not recognised in the income and expenditure account under this policy is carried forward as deferred income in the balance sheet.

#### Sale of goods

Turnover from the sale of merchandise is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on despatch of the products.

#### Rendering of services

When the outcome of a transaction can be estimated reliably, turnover from the supply of examinations, courses and certificates is recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to the date of the examination, the date of the course and the date of award of the certificate.

Where the outcome cannot be measured reliably, turnover is recognised only to the extent of the amount recognised that is recoverable.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	-	not provided
Office equipment	-	Straight line over 5 years
Computer software	-	Straight line over 5 years
Computer equipment	-	Straight line over 5 years
E-Books	-	Straight line over 4 years

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Freehold land is not depreciated.

# NOTES TO THE FINANCIAL STATEMENTS

## (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2019

In the opinion of the directors, the estimated residual value of the freehold building at the end of its useful economic life is expected to be greater than its current carrying value in the accounts and so no depreciation has been charged.

#### Stocks

Stock consists of membership certificates, promotional material and goods for resale, namely study manuals and medallions valued at the lower of cost and net realisable value. Provision is made for obsolete stock as appropriate.

#### Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### Contribution to pension funds

All staff are contracted into the state pension scheme. AIA makes contributions to the personal pension plans of certain employees. Contributions are charged to the income and expenditure account when they are payable.

#### Investments

Investments in equities are shown at fair (market) value.

The investments are valued by an investment manager, having due regard to latest dealings, professional valuation, asset values and other appropriate financial information.

The fair value movement included in the profit for the year is £(2,178) (2018 £(12,256))

#### Grants/donations receivable

Grants or donations in respect of capital expenditure are treated as deferred credits, a proportion of which are transferred to revenue annually over the life of the asset

Grants or donations in respect of revenue expenditure are credited to revenue in order to match the income against the expenditure to which the grant or donation relates.

#### Overseas branches

It should be noted that the funds of the branches in Hong Kong, Singapore and Malaysia are not included in these financial statements. The branches are separately constituted and act independently in the day to day management of their affairs. Only in the unlikely event of a dissolution of a branch would its remaining accumulated funds be returned to AIA and be brought to account in its financial statements.

#### Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

#### Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

#### Impairment of assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

#### 4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 20 (2018 - 23)

Key management personnel remuneration:

	2019	2018
	£	£
Salaries	103,500	96,000
Pension contributions	14,625	13,500

#### 5. EXCEPTIONAL ITEMS

	2019	2018
	£	£
Exceptional operating costs	<u>(69,189)</u>	<u>(22,516)</u>

#### Exceptional operating costs

This item includes non-recurring expenditure on professional fees relating to the AIA's dealings with various regulatory authorities in the UK and other parts of the world.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 6. TANGIBLE FIXED ASSETS

	Freehold property £	Office equipment £	Computer software £
<b>COST</b>			
At 1 October 2018	1,028,745	52,220	81,996
Additions	1,557	3,147	-
At 30 September 2019	1,030,302	55,367	81,996
<b>DEPRECIATION</b>			
At 1 October 2018	1,932	33,294	24,710
Charge for year	-	6,433	14,952
At 30 September 2019	1,932	39,727	39,662
<b>NET BOOK VALUE</b>			
At 30 September 2019	1,028,370	15,640	42,334
At 30 September 2018	1,026,813	18,926	57,286
	E-Books £	Computer equipment £	Totals £
<b>COST</b>			
At 1 October 2018	104,520	53,804	1,321,285
Additions	-	-	4,704
At 30 September 2019	104,520	53,804	1,325,989
<b>DEPRECIATION</b>			
At 1 October 2018	104,520	40,174	204,630
Charge for year	-	4,446	25,831
At 30 September 2019	104,520	44,620	230,461
<b>NET BOOK VALUE</b>			
At 30 September 2019	-	9,184	1,095,528
At 30 September 2018	-	13,630	1,116,665

Included in cost of land and buildings is freehold land of £215,021 (2018 - £215,021) which is not depreciated.

# NOTES TO THE FINANCIAL STATEMENTS

## (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	226,763	368,533
Prepayments and accrued income	237,170	195,953
	<u>463,933</u>	<u>564,486</u>

### 8. CURRENT ASSET INVESTMENTS

	2019	2018
	£	£
Listed investments	<u>114,870</u>	<u>109,087</u>

### 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank loans and overdrafts	25,500	25,500
Trade creditors	213,080	174,307
Corporation tax	304	197
Social security and other taxes	17,438	15,989
Trust fund	9,010	8,581
Accruals and deferred income	379,895	305,863
	<u>645,227</u>	<u>530,437</u>

### 10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Bank loans: 1-2 years	25,500	25,500
Bank loans: 2-5 years	76,500	76,500
Bank loans due after 5 years	206,967	232,399
	<u>308,967</u>	<u>334,399</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans due after 5 years	206,967	232,399

# NOTES TO THE FINANCIAL STATEMENTS

## (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2019

#### 11. SECURED DEBTS

The following secured debts are included within creditors:

	2019	2018
	£	£
Mortgage	<u>334,467</u>	<u>359,899</u>

The mortgage is secured on the company's freehold property.

#### 12. CAPITAL COMMITMENTS

	2019	2018
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>43,550</u>

#### 13. OTHER FINANCIAL COMMITMENTS

The total amount of financial commitments not included in the balance sheet amounted to £10,322 (2018: £17,346)

#### 14. RELATED PARTY DISCLOSURES

During the period the company charged a fee of £5,000 (2018: £5,000) to the AIA Benevolent and Educational Trust for administrative costs.

# DETAILED INCOME AND EXPENDITURE ACCOUNT

## FOR THE YEAR ENDED 30 SEPTEMBER 2019

	2019	2018
	£	£
<b>Subscriptions and fees</b>	<b>1,544,757</b>	<b>1,665,080</b>
<b>Other income</b>		
Sundry receipts	7,756	13,367
Dividends receivable	8,295	7,451
Bank interest receivable	1,598	1,097
	<u>17,649</u>	<u>21,915</u>
	<b>1,562,406</b>	<b>1,686,995</b>
<b>Expenditure</b>		
Rent, rates and insurance	29,683	30,611
Heat, light and cleaning	15,131	15,149
Wages and salaries	670,351	673,635
Social security	60,346	61,087
Staff pension contributions	29,264	13,970
Postage and telephone	16,340	17,038
Printing, stationery and advertising	6,960	2,865
Public relations	195,082	318,588
Branch network	78,647	125,543
Council and committee expenses	14,573	8,822
Examinations	192,667	169,924
Syllabus review	-	38,930
Repairs and renewals	70,500	70,152
Miscellaneous expenses	12,372	9,497
Legal and professional fees	4,198	2,100
Practice monitoring visits/AML	8,060	5,418
Auditors' remuneration	10,589	10,038
Foreign exchange losses	171	-
	<u>1,414,934</u>	<u>1,573,367</u>
Carried forward	<b>147,472</b>	<b>113,628</b>

This page does not form part of the statutory financial statements

# DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDING 30 SEPTEMBER 2019

	2019		2018	
	£	£	£	£
Brought forward		147,472		113,628
<b>Finance costs</b>				
Bank charges	42,210		27,501	
Mortgage interest	6,080		5,584	
		48,290		33,085
		99,182		80,543
<b>Depreciation</b>				
Office equipment	6,433		5,979	
Computer software	14,952		13,259	
Computer equipment	4,446		4,431	
		25,831		23,669
		73,351		56,874
<b>Gain/(loss) on revaluation of assets</b>				
Gain/(loss) on revaluation of investments		(2,178)		(12,256)
		71,173		44,618
<b>Exceptional items</b>				
Exceptional operating costs		69,189		22,516
<b>NET SURPLUS</b>		1,984		22,102



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