

For the year ending  
30 September

2020



**AIA**  
THE ASSOCIATION  
OF INTERNATIONAL  
ACCOUNTANTS

# ANNUAL REPORT AND ACCOUNTS

## AIA Annual Report and Accounts

Welcome	2
President and Chief Executive's Statement	3
Report of the Directors	5
Independent Auditors' report	6
Accounts 2020	8



# Welcome

2020 was a year like no other. The Covid-19 pandemic created a global health and economic crisis which presented colossal challenges. Governments were forced to implement social distancing measures causing widespread disruption and businesses throughout the world were required to adapt to a rapidly changing world.

Like other organisations, AIA felt the impact acutely and our response was crucial not only to ensure the continuity of service to our members and students, but also to deliver a longer-term plan that continued to meet our strategic objectives. Having international partners and stakeholders meant we had an early steer on the challenges organisations were facing as a result of the pandemic from those countries first hit and gave us a small amount of time to plan our phased response.

## Phase 1: Assessment

The first phase was focussed on our short-term response and centred on staff and stakeholder safety: AIA swiftly implemented a remote-working policy for all. To speed up and improve decision-making, membership support and continuity of services, new IT infrastructure was leveraged allowing a more collaborative and flexible approach

to home working. Social distancing measures meant that the AIA professional exams and events were postponed and work was undertaken to assess our members' most critical needs.

## Phase 2: Action

In response to the crisis, we quickly focussed on our members' most immediate requirements, streamlining our goals to consider where we could add maximum value for our members. It became apparent that the AIA's ambitious plans to move many of its services online, including exams, continuing professional development provision, events and learning, would have to be fast-tracked. Recognising that our members would play a pivotal role in offering financial and business advice during the crisis, we worked quickly to ensure that guidance and information on the latest government support packages were available as the situation developed.

## Phase 3: Innovate

The longer term is focussed on improvement and understanding how we must evolve to take advantage of new opportunities in a more digitalised world, through strategic alliances and investment in new technologies.

### KEY PERSONNEL

Chief Executive  
Secretary to the Council  
Director of Operations  
Director of Development  
Director of Policy & Public Affairs

Philip J J Turnbull  
Doreen Bland  
David Potts  
Sharon Gorman  
Rachel Rutherford

### Bankers

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

### Solicitors

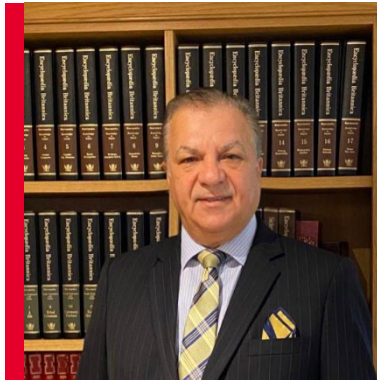
Lee Bolton Monier-Williams, 1 The Sanctuary Westminster, London, SW1P 3JT, United Kingdom

### Auditors

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

## AIA President and Chief Executive's Statement

The past year has been extremely challenging for all of us, but it has also been heart-warming to see communities come together to support one another through such a critical time.



We want to take this opportunity to thank all of you, our members, students, partners, staff and international networks for your unwavering support of the AIA. In facing the challenges of the past year, we have demonstrated how strong we are when we act together.

At this juncture it is a relief to see that the UK and other countries have proposed routes out of lockdown and we can start to look forward to a brighter future with the gradual re-opening of businesses and access to physical learning for students around the world.

AIA's principal aim throughout the pandemic has been to provide as much tangible support as possible to our members and the wider accountancy profession. This has included freezing fee rises and offering webinars free of charge; providing global updates and other vital information in a timely manner through both our Covid-19 hub and member communications; ensuring our members have access to high-quality CPD covering a wide range of topics, and moving all AIA exams online to ensure there was minimal disruption to our students' qualification pathways.

In July 2020, AIA launched its new website. As a leader in the accountancy profession, it is important for us to make information regarding our services, membership, qualifications and thought leadership easily accessible for our current and prospective members. Applications, membership renewals, CPD declarations and exam entries are now fully online, making the site more integrated and user friendly. By November 2020, AIA had worked hard with its educational partners to offer the professional exams online, enabling students to

progress in their careers and work towards becoming professionally qualified accountants in a safe and secure environment. We have also worked hard to

inform and influence on behalf of our members through our engagement with government, regulators, stakeholders and other professional bodies.



All of this has been made possible through careful financial management, by working as one agile team and by relentlessly pursuing the best outcome for all our members.

### Looking ahead

Whilst there is a lot of optimism for the future, we are also aware that there are many challenges as we start on the journey to recovery. Our plan for this year is therefore focussed on helping members to support businesses, clients and employers as they rebuild and reassess their business models for the future.

We are also excited to announce the upcoming launch of the new AIA professional qualification, as well as a 'Certificate in Business Finance for Professionals', both planned for 2021. The new professional qualification has been developed through collaboration with employers, businesses and academics to create a professional qualification that delivers world-class accountancy and business skills for the next generation of finance professionals, offering a streamlined qualification to reflect developments in the business environment and making it more accessible, quicker to complete and affordable.

Whilst it has been an extremely challenging year, the pandemic has far from halted our progress; AIA has accelerated its work, improved services and made great progress in future-proofing our Association, and we are excited to build on that innovative spirit as we look ahead to the future.



## Governance and Structure

AIA operates under the terms of its constitution and is regulated by the Financial Reporting Council as a Recognised Qualifying Body, the Irish Auditing and Accounting Supervisory Authority as a prescribed body, and the Office for Professional Body Anti-Money Laundering Supervision as a professional body supervisor.

AIA works within a framework that is committed to the highest standards of corporate governance. The AIA's robust membership requirements and disciplinary framework adds additional reassurance and protection to the businesses that rely on accountancy services.

### 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 by video conference.

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 during the period of the report.

<b>President</b>	<b>Shahram Moallemi</b>
<b>Vice President</b>	<b>Philip Ford</b>
<b>Vice President</b>	<b>Linda Richards</b>

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)
- AIA UK Beijing  
Representative Office  
A601, Building 1  
No 58 East Third Ring  
South Road Chaoyang  
District  
Beijing  
People's Republic of China
- Cyprus Branch  
2 Dinokratous Street  
Amaral 25 Office 302  
PO Box 20386  
Nicosia  
2151  
Cyprus
- Ghana Branch  
Ofosuah House Chambers  
Hanson Road  
PO Box GP428  
Accra  
Ghana
- Greece Branch  
Voulgari 22 & Papadaki  
Thessaloniki  
Greece
- Hong Kong Branch  
Rooms 2805-07, Paul Y  
Centre 51 Hung To Road  
Kwun Tong Kowloon  
Hong Kong
- Malaysia Branch  
59-1 Jalan Komersil  
Senawang 7 Taman  
Komersil Senawang 70450  
Seremban  
Negeri Sembilan Darul  
Khusus  
Malaysia
- Singapore Branch  
Singapore Professional  
Centre 93 Toa Payoh  
Central  
Toa Payoh Community  
Building #05-01 228149  
Singapore

---

# THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2020

### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an accountancy Recognised Qualifying Body (RQB).

### EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

### DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2019 to the date of this report.

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

### 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:



S Moallemi - Director

Date: 17 March 2021

---

# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

## Opinion

We have audited the financial statements of The Association of International Accountants (the 'company') for the year ended 30 September 2020 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 2020 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.

## 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.

## Opinions 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
- we have not received all the information and

---

# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

- 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.

## 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: 18 March 2021

## 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.



# THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

## INCOME STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Notes	2020 £	2019 £
<b>TURNOVER</b>		<b>1,535,560</b>	<b>1,544,757</b>
Administrative expenses		<u>1,483,770</u>	<u>1,482,975</u>
		<b>51,790</b>	<b>61,782</b>
Other operating income		<u>71,822</u>	<u>7,756</u>
<b>OPERATING SURPLUS</b>		<b>123,612</b>	<b>69,538</b>
Exceptional operating costs	5	<u>53,343</u>	<u>69,189</u>
		<b>70,269</b>	<b>349</b>
Income from fixed asset investments		<b>96</b>	<b>8,295</b>
Interest receivable and similar income		<u>1,471</u>	<u>1,598</u>
		<b>1,567</b>	<b>9,893</b>
		<b>71,836</b>	<b>10,242</b>
Gain/(loss) on revaluation of investments		<u>(51,917)</u>	<u>(2,178)</u>
		<b>19,919</b>	<b>8,064</b>
Interest payable and similar expenses		<u>4,637</u>	<u>6,080</u>
<b>SURPLUS BEFORE TAXATION</b>		<b>15,282</b>	<b>1,984</b>
Tax on surplus		<u>280</u>	<u>304</u>
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		<u><b>15,002</b></u>	<u><b>1,680</b></u>

The notes form part of these financial statements

# THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

## BALANCE SHEET AS AT 30 SEPTEMBER 2020

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	6	1,114,158	1,095,528
<b>CURRENT ASSETS</b>			
Stock		5,610	6,178
Debtors	7	531,823	463,933
Investments	8	117,697	114,870
Cash at the bank		<u>983,737</u>	<u>765,156</u>
		<b>1,638,867</b>	<b>1,350,137</b>
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>913,839</u>	<u>645,227</u>
<b>NET CURRENT ASSETS</b>		<u>725,028</u>	<u>704,910</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,839,186</b>	<b>1,800,438</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	<u>332,713</u>	<u>308,967</u>
<b>NET ASSETS</b>		<u><b>1,506,473</b></u>	<u><b>1,491,471</b></u>
<b>RESERVES</b>			
Income and expenditure account		<u>1,506,473</u>	<u>1,491,471</u>
		<u><b>1,506,473</b></u>	<u><b>1,491,471</b></u>

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 and authorised for issue on 04 March 2021 and were signed on its behalf by:



S Moallemi - Director

The notes form part of these financial statements

---

# THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

## STATEMENT OF CHANGES IN EQUITY: FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Retained Earnings	Total Equity
	£	£
Balance at 1 October 2018	1,489,791	1,489,791
Changes in equity		
Total comprehensive income	<u>1,680</u>	<u>1,680</u>
Balance at 30 September 2019	<u>1,491,471</u>	<u>1,491,471</u>
Changes in equity		
Total comprehensive income	<u>15,002</u>	<u>15,002</u>
Balance at 30 September 2020	<u>1,506,473</u>	<u>1,506,473</u>

The notes form part of these financial statements

---

# THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

### 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 on the Company Information page.

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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" 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.

#### Going concern

The COVID-19 outbreak developed rapidly in 2020 with the UK Government imposing significant travel restrictions, mandated workplace closures and lockdown measures in March 2020 which were initially eased over Summer 2020 but have been re-imposed subsequent to the year end. To date the AIA has taken measures to protect the health and safety of staff and has worked with members and suppliers to minimise disruptions and address the challenges posed by the ongoing global pandemic.

Despite these challenges AIA's operations and service delivery has not been materially affected with staff effectively transitioning to remote working following lockdown. AIA continues to review the guidance issued by the UK Government on how to safely enable more staff to return to its office.

Due to the company's significant presence in China and other Asian countries, the COVID-19 outbreak initially had an impact on the company's income and cashflow but, as can be seen from the results included in this report, the AIA has withstood the challenges faced and, with the aforementioned markets further down the route to normality, the directors are confident about the financial position of the company and at present the

company has sufficient resources to continue for the foreseeable future.

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.

---

# THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 - CONTINUED

### 3. ACCOUNTING POLICIES CONTINUED

#### 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
E-Books	-	Straight line over 4 years
Computer equipment	-	Straight line over 5 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.

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 managers, having due regard to latest dealings, professional valuation, asset values and other appropriate financial information.

The fair value movement debited to the profit and loss for the year is £51,917 (2019 £2,178)

#### 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.



---

# THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 - CONTINUED

### 3. ACCOUNTING POLICIES CONTINUED

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 18 (2019 - 20).

Key management personnel remuneration

	2020	2019
	£	£
Salary	109,000	103,500
Pension contribution	15,000	14,625

### 5. EXCEPTIONAL ITEMS

	2020	2019
	£	£
Exceptional operating costs	(53,343)	(69,189)

#### 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.

# THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 - CONTINUED

### 6. TANGIBLE FIXED ASSETS

	Freehold Property £	Office Equipment £	Computer Software £
<b>COST</b>			
At 1 October 2019	1,030,302	55,367	81,996
Additions	-	-	26,745
Disposals	-	(37,292)	(29,398)
	<u>1,030,302</u>	<u>18,075</u>	<u>179,343</u>
At 30 September 2020			
<b>DEPRECIATION</b>			
At 1 October 2019	1,932	39,727	39,662
Charge for year	-	6,776	14,952
Eliminated on disposal	-	(34,066)	(21,028)
	<u>1,932</u>	<u>12,437</u>	<u>33,586</u>
At 30 September 2020			
<b>NET BOOK VALUE</b>			
At 30 September 2020	<u>1,028,370</u>	<u>5,638</u>	<u>45,757</u>
At 30 September 2019	<u>1,028,370</u>	<u>15,640</u>	<u>42,334</u>

	E-Books £	Computer Equipment £	Totals £
<b>COST</b>			
At 1 October 2019	104,520	53,804	1,325,989
Additions	-	33,853	60,598
Disposals	-	(51,221)	(117,911)
	<u>104,520</u>	<u>36,436</u>	<u>1,268,676</u>
At 30 September 2020			
<b>DEPRECIATION</b>			
At 1 October 2019	104,520	44,620	230,461
Charge for year	-	4,445	26,173
Eliminated on disposal	-	(47,022)	(102,116)
	<u>104,520</u>	<u>2,043</u>	<u>154,518</u>
At 30 September 2020			
<b>NET BOOK VALUE</b>			
At 30 September 2020	<u>-</u>	<u>34,393</u>	<u>1,114,158</u>
At 30 September 2019	<u>-</u>	<u>9,184</u>	<u>1,095,528</u>

Included in cost of land and buildings is freehold land of £215,021 (2019 - £215,021) which is not depreciated.

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

	2020 £	2019 £
Trade debtors	278,059	226,763
Prepayments and accrued income	253,764	237,170
	<u>531,823</u>	<u>463,933</u>

---

# THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020 - CONTINUED

### 8. CURRENT ASSET INVESTMENTS

	2020	2019
	£	£
Listed investments	<u>117,697</u>	<u>114,870</u>

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

	2020	2019
	£	£
Bank loans and overdrafts	25,500	25,500
Trade creditors	289,400	213,080
Corporation tax	280	304
Social security and other taxes	23,703	17,438
Trust fund	9,461	9,010
Accruals and deferred income	<u>565,495</u>	<u>379,895</u>
	<u>913,839</u>	<u>645,227</u>

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

	2020	2019
	£	£
Bank loans 1-2 years	33,833	25,500
Bank loans 2-5 years	101,500	76,500
Bank loans due after 5 years	<u>197,380</u>	<u>206,967</u>
	<u>332,713</u>	<u>308,967</u>

#### Amounts falling due in more than 5 years

Repayable by instalments		
Bank loans due after 5 years	<u>197,380</u>	<u>206,967</u>

### 11. SECURED DEBTS

The following secured debts are included within creditors

	2020	2019
	£	£
Bank loans	<u>358,213</u>	<u>334,467</u>

The bank loan is secured on the company's freehold property.

### 12. OTHER FINANCIAL COMMITMENTS

The total amount of financial commitments not included in the balance sheet amounted to £3,780 (2019: £10,322)

### 13. RELATED PARTY DISCLOSURES

During the period the company charged a fee of £5,000 (2019: £5,000) to the AIA Benevolent and Educational Trust for administrative costs.

### 14. POST BALANCE SHEET EVENTS

The COVID-19 pandemic is still ongoing post year end and continues to have an impact on the activities of the Association.

# THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

## DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2020

	2020		2019	
	£	£	£	£
<b>Subscriptions and fees</b>		<b>1,535,560</b>		<b>1,544,757</b>
<b>Other income</b>				
Sundry receipts	<b>71,822</b>		7,756	
Dividends receivable	<b>96</b>		8,295	
Bank interest receivable	<b>1,471</b>		1,598	
		<b>73,389</b>		<b>17,649</b>
		<b>1,608,949</b>		<b>1,562,406</b>
<b>Expenditure</b>				
Rent, rates and insurance	<b>24,070</b>		29,683	
Heat, light and cleaning	<b>12,609</b>		15,131	
Wages and salaries	<b>621,804</b>		670,351	
Social security	<b>57,055</b>		60,346	
Staff pension contributions	<b>28,395</b>		29,264	
Postage and telephone	<b>13,108</b>		16,340	
Printing, stationery and advertising	<b>18,074</b>		6,960	
Public relations	<b>204,805</b>		195,082	
Branch network	<b>90,601</b>		78,647	
Council and committee expenses	<b>1,229</b>		14,573	
Examinations	<b>217,589</b>		192,667	
Repairs and renewals	<b>63,794</b>		70,500	
Miscellaneous expenses	<b>8,283</b>		12,372	
Legal and professional fees	<b>19,867</b>		4,198	
Practice monitoring visits/AML	<b>4,620</b>		8,060	
Auditors' remuneration	<b>10,214</b>		10,589	
Foreign exchange losses	<b>106</b>		171	
		<b>1,396,223</b>		<b>1,414,934</b>
		<b>212,726</b>		<b>147,472</b>
<b>Finance costs</b>				
Bank charges	<b>45,579</b>		42,210	
Mortgage interest	<b>4,637</b>		6,080	
		<b>50,216</b>		<b>48,290</b>
		<b>162,510</b>		<b>99,182</b>
<b>Depreciation</b>				
Office equipment	<b>6,776</b>		6,433	
Computer software	<b>14,952</b>		14,952	
Computer equipment	<b>4,445</b>		4,446	
		<b>26,173</b>		<b>25,831</b>
Carried forward		<b>136,337</b>		<b>73,351</b>

This page does not form part of the statutory financial statements

# THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

## DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2020

	2020	2019
	£	£
Brought forward	136,337	73,351
<b>Loss on disposal of fixed assets</b>		
Office equipment	3,226	-
Computer software	8,370	-
Computer equipment	4,199	-
	<u>15,795</u>	<u>-</u>
	120,542	73,351
<b>Gain/loss of revaluation of assets</b>		
Gain/(loss) on revaluation of investments	<u>(51,917)</u>	<u>(2,178)</u>
	68,625	71,351
<b>Exceptional items</b>		
Exceptional operating costs	<u>53,343</u>	<u>69,189</u>
<b>NET SURPLUS</b>	<u>15,282</u>	<u>1,984</u>

This page does not form part of the statutory financial statements





**AIA**  
THE ASSOCIATION  
OF INTERNATIONAL  
ACCOUNTANTS

## **Association of International Accountants**

Staithes 3  
The Watermark  
Metro Riverside  
Newcastle Upon Tyne  
NE11 9SN  
United Kingdom

T: +44 (0)191 4930277  
W: [www.aiaworldwide.com](http://www.aiaworldwide.com)  
E: [aia@aiaworldwide.com](mailto:aia@aiaworldwide.com)

