

AIA



THE ASSOCIATION
OF INTERNATIONAL
ACCOUNTANTS

AIA Annual Report & Accounts

*For the year ending
30 September 2021*



*Despite the uncertainty of 2020/21,
I am proud that AIA has delivered a
strong performance and embraced
digital transformation to deliver
opportunities, education and
support to our members across the
world. As a result of previous
investment and by working with
our global partners we have
expanded our influence and
professional impact.*



Shahram Moallemi
AIA President

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

Head Office:

AIA Head Office

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

Registered number: 00264086 (England and Wales)

Branches:

AIA UK Beijing Representative Office
Beijing | People's Republic of China

Hong Kong Branch
Kowloon | Hong Kong

Cyprus Branch
Nicosia | Cyprus

Malaysia Branch
Seremban | Malaysia

Ghana Branch
Accra | Ghana

Singapore Branch
Toa Payoh | Singapore

Greece Branch
Thessaloniki | Greece

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AIA PRESIDENT AND CHIEF EXECUTIVE'S STATEMENT



In what has been a difficult year, AIA has achieved a great deal throughout the period of this report and that is a testament to the hard work, responsiveness and resilience of AIA staff, partners and stakeholders.

Following extensive research and development, 2021 saw the launch of the new streamlined AIA professional qualification, which sets out the knowledge, behaviours and values that underpins today's accountants and helps professionals to thrive in their careers.

The qualification structure has been streamlined, reducing the number of exams from 16 to 10 for those taking the accountancy route and from 17 to 11 for those wishing to qualify as a statutory auditor, making it quicker to qualify, more accessible and affordable.

In line with AIA's commitment to ensuring the professional qualification remains at the appropriately high level and as part of an ongoing evaluation cycle, the new AIA professional qualification was also independently assessed by the UK National Information Centre (UK ENIC, formerly NARIC) for global qualifications and skills. The overall aim of this benchmarking exercise was to facilitate wider understanding of the comparable educational levels of all three levels of the programme and the AIA International Accountant (IA) designation. We were delighted that the conclusion of this exercise reaffirmed that the AIA professional qualification is comparable to a UK Master's



degree or a postgraduate diploma (level 7 on the Recognised Qualification Framework).

The pandemic has also been a catalyst for change. We've increased the pace of delivering our educational programme, for both qualifications and continuing professional development, to an online platform, allowing greater flexibility for both members and students and increased capacity in our global markets.

We are also proud to have built on our involvement with policymakers, regulators and other relevant organisations to ensure that AIA is fully represented, and our members spoken for when it comes to key policy decisions. In July 2021, AIA responded to the Government's consultation on Corporate Governance and Audit Reform. AIA supported measures that ensure that the UK remains a trusted, and competitive destination for investment and supported the establishment of the Auditing, Reporting and Governance Authority as a more robust regulator with the potential to take a leading role in raising audit quality. However, we robustly opposed proposals that sought to fundamentally change the existing system of audit training and education without substantially explaining the value proposition, highlighting instead the depth of experience and value that exists within the current, world-renowned, UK professional education sector.

AIA also played a central role in the strategic focus of the accountancy sector's work to raise

AIA PRESIDENT AND CHIEF EXECUTIVE'S STATEMENT

standards in the tax advice market and called for enhancements to the UK's anti money laundering regulatory and supervisory regimes.

We have witnessed first-hand members embracing new opportunities in technologies, business advisory and client support services, adopting innovative solutions in response to the challenges they faced. We have also been pleased to support our members through these testing times by making improvements to our knowledge sharing, guidance and training, which has meant that members could support the businesses and organisations in which they work.

The future

As we enter this next phase, we are immensely proud that the AIA's global community spirit remains strong and that by transforming how we deliver professional membership and education services, we are well equipped for the future.

Improvements can always be made, and to this end reviewing and responding to developments in the profession is vital to our continued success. In September, AIA joined the Green Finance Education Charter, an

initiative between the government, the Green Finance Institute, and a number of leading financial professional bodies, designed to embed green finance and sustainability into the core curricula, new qualifications, and the continued professional development of accountants.

AIA plays two distinct roles in promoting green finance and sustainability. As a professional body we are committed through our policy agenda to act as an authoritative voice within the accountancy sector to raise standards and education in green finance and sustainability. We also ensure that our members have the skills, knowledge and tools to promote sustainable business practices.

Despite the challenges we have faced this year, we have maintained the highest standards in professional education and membership, developed as an organisation and delivered many of the core strategic objectives we had set ourselves.

Our strategy remains focussed on delivering at speed to ensure the continued growth of the AIA and fully committed to our core values of collaboration, innovation, excellence, integrity and respect.



Shahram Moallemi
AIA President



Philip Turnbull
AIA Chief Executive

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.

President **Shahram Moallemi**

Vice President **Philip Ford**

Vice President **Linda Richards**

Our Council and our policy agenda ensure 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

COUNCIL & COMMITTEE ACTIVITIES 2020-2021

At the start of the period from 1 October 2020 to 30 September 2021, the period covered by this Annual Report, there were 15 Council members. One member resigned part way through the period and was not replaced.

The effect of Covid 19 meant that AIA were unable to conduct meetings of Council or Committees in the usual 'face to face' manner. However, by using Microsoft Teams, AIA successfully conducted those meetings on a regular basis. The average number of members attending a meeting was ten. This figure was slightly higher than figures in a pre-pandemic year which had involved members travelling

from abroad and from various parts of the UK for 'face to face' meetings.

The Annual General Meeting held in April 2021 was also conducted virtually in line with Government guidelines.

There were five Council Meetings held during the period and each followed the agreed agenda, discussing matters of policy and regulation. Members were also updated with information from each of the Committees on aspects under their remit and were supported by the Secretariat.

The Council delegates powers to a number of committees whose powers are enshrined in the constitution. The Committees meet as and when required and each has a minimum of five members. The quorum for a committee meeting is three.

Applications Committee

The Applications Committee met regularly during the period to consider applications for membership and Practising Certificates. They also receive information regarding members wishing to resign their membership, and more sadly, of those members who have recently deceased.

The Committee has eight members and meetings showed an average attendance of six.

Finance Committee

The Finance Committee has a membership of seven Council members and met on a monthly basis throughout the period with an average attendance of five members.

The Committee deals with all matters relating to the accounts and financial affairs of AIA, investments, sanction expenditure and ensure that sufficient funds are maintained to enable the development of the qualification.

The Committee reports back to the Council at the next meeting and as a regular agenda item, the details of their deliberations are confirmed.

Qualifications Committee

The Qualifications Committee met five times during the year. There are eight Council Members on this Committee plus two lay members, one being an academic and the other being a statutory auditor. The average attendance at a meeting was seven.

Two of the meetings in the year reviewed the report from the Exam Board and recommended that the results of the AIA Professional Qualification be published. Other items that were considered by the Qualifications Committee included the approval of new examiners and also of study providers.

Regulatory Oversight Committee

The Regulatory Oversight Committee deals with matters relating to AIA's AML supervision. The Committee is chaired by a member of Council, but the other members are lay members who are expert in the field.

The Committee aims to meet twice a year.

The minutes of all committees are reviewed by the Council including those of the five disciplinary committees, the membership of which is separate from Council membership.

AML SUPERVISORY ACTIVITY REPORT: 06/04/2020 to 05/04/2021

AIA supervises its practising members for the purposes of the United Kingdom Money Laundering Regulations 2017 (amended 2019), where AIA is listed in schedule 1 as an approved supervisory body. In the Republic of Ireland AIA is a designated body under the Criminal Justice (Money Laundering and Terrorist Financing) Act.

Our work is overseen by HM Treasury, the Office for Professional Body AML Supervision

(OPBAS) and the Republic of Ireland Departments of Finance and Justice. AIA publishes an annual report on its anti-money laundering monitoring and supervisory activities.

In its latest threat assessment, the National Crime Agency (NCA) estimates that at least 70,000 people are engaged in serious organised crime in the UK, with upwards of £12bn in criminal cash generated annually.

Understandably therefore AIA takes its role as an anti-money laundering professional body supervisor (PBS) for accountants extremely seriously.

This role as a PBS includes both enforcing compliance where breaches are detected in the course of monitoring and supervision and educating members on their AML obligations.

AIA's Regulatory Oversight Committee forms part of an effective governance framework, overseeing and scrutinising the work AIA undertakes as a PBS to ensure we continue to meet the requirements and comply with the regulations.

The accountancy sector plays a key role in preventing economic crime and reporting suspicious activity. AIA's commitment to working in the public interest to tackle money laundering and economic crime remains undimmed and we will continue to work with our members to prevent criminals taking advantage of the professional services offered by accountants.

Our work as an AML supervisor

We monitor our supervised population and take measures where necessary to ensure compliance, including:

- ensuring that our supervised population comply with the regulations and obtain necessary approval of their beneficial owners, officers and managers via Criminal Records Checks and intelligence sharing with other professional bodies and law enforcement agencies
- adopting a risk-based approach and consequently basing the frequency and intensity of our supervision on our comprehensive risk assessment of our supervised population
- encouraging our supervised population to report actual or potential breaches of the regulations through our whistleblowing process

We take appropriate measures to ensure we review:

- firm-wide risk assessments carried out by firms
- client due diligence both at onboarding and as part of an ongoing relationship
- suspicious activity reporting processes and training
- the adequacy of our supervised population's policies, controls and procedures and that they have been correctly implemented

We enforce the money laundering regulations and carry out our work as an AML supervisor through:

- sharing and receiving information to prevent money laundering with other supervisors and law enforcement agencies
- publishing updated guidance on the regulations
- undertaking proactive risk-based supervision
- investigating potential breaches of the regulations and disciplining our supervised population where appropriate
- reporting suspicious activity where encountered in the course of our monitoring and supervision activity

Impact of covid-19

Throughout the reporting period the Covid-19 pandemic imposed restrictions on how AIA undertook its AML monitoring and supervision work. For example, whilst no on-site Monitoring Visits were held during the period, we refreshed our Desktop Monitoring Review regime to improve robustness and depth of scrutiny, implementing a new secure platform for reviewing client files and other confidential information.

ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their annual report and financial statements for the year ended 30 September 2021.

Principal activities

The principal activity of the company continued to be that of an accountancy Recognised Qualifying Body (RQB).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

H G McCormack
M Timoney (resigned 27 October 2021)
L D Bradley
A R Lamb
P M Ford
S Moallemi
T Oozeerally
V Carpenter
M Chow
M N Jidin (resigned 4 March 2021)
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.

Auditor

In accordance with the company's articles, a resolution proposing that Robson Laidler Accountants Limited be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 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 company website.

ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board:



Shahram Moallemi

Director

Date: 25.04.2022

ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT 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 2021 which comprise the income and expenditure account, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 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 Auditor's 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

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

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

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

Other information

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

We have nothing to report in this regard.

ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report 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 directors' report.

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 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 in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected

ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS (CONTINUED)

to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the company, we identified that there were principal risks of non-compliance with laws and regulations central to the company's operations due to the oversight of the Financial Reporting Council (FRC) with regard to the company's status as a Recognised Qualifying Body for audit in the UK. We also considered those laws and regulations that have a direct impact on the financial statements of the company such as the Companies Act 2006 and UK tax legislation.

Audit procedures performed by the engagement team included:

Review of the FRC review reports;

Discussions with UK directors and key management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;

Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities;

Reviewing relevant meeting minutes;

Identifying and testing journal entries based on risk criteria;

Testing transactions entered into outside of the company's normal course of business.

There are inherent limitations in the audit procedures described above and, the further

removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>

This description forms part of our auditor's report.

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 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.



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, UK, NE2 1TJ.

Date: 27.04.2022

ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2021

		2021	2020
	Notes	£	£
Turnover		1,612,448	1,535,561
Administrative expenses		(1,583,952)	(1,483,770)
Other operating income		12,500	71,882
Exceptional operating costs	3	<u>(79,073)</u>	<u>(53,343)</u>
Operating (deficit)/surplus		(38,077)	70,270
Interest receivable and similar income		3,141	1,567
Interest payable and similar expenses		(4,976)	(4,638)
Gain/(loss) on revaluation of investments		<u>66,413</u>	<u>(51,917)</u>
Surplus before taxation		26,501	15,282
Tax on surplus	5	(88)	(280)
Surplus for the financial year		<u>26,413</u>	<u>15,002</u>

ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

BALANCE SHEET AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	6		1,099,753		1,114,156
Current assets					
Stocks		6,975		5,610	
Debtors	7	533,627		531,825	
Investments	8	186,203		117,697	
Cash at bank and in hand		1,018,652		983,737	
		<u>1,745,457</u>		<u>1,638,869</u>	
Creditors: amounts falling due within one year	9	<u>(1,020,736)</u>		<u>(913,839)</u>	
Net current assets			<u>724,721</u>		<u>725,030</u>
Total assets less current liabilities			<u>1,824,474</u>		<u>1,839,186</u>
Creditors: amounts falling due after more than one year	10		<u>(291,588)</u>		<u>(332,713)</u>
Net assets			<u>1,532,886</u>		<u>1,506,473</u>
Reserves					
Income and expenditure account			<u>1,532,886</u>		<u>1,506,473</u>
Members' funds			<u>1,532,886</u>		<u>1,506,473</u>

These 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 25 February 2022 and are signed on its behalf by:



S Moallemi

Director

Company Registration No: 00264086

ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Income and expenditure £
Balance at 1 October 2019	1,491,471
Year ended 30 September 2020:	
Profit and total comprehensive income for the year	15,002
	<hr/>
Balance at 30 September 2020	1,506,473
Year ended 30 September 2021:	
Profit and total comprehensive income for the year	26,413
	<hr/>
Balance at 30 September 2021	<u>1,532,886</u>

ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

The Association of International Accountants is a private company limited by guarantee incorporated in England and Wales. The registered office is Staithes 3, The Watermark, Metro Riverside, Newcastle upon Tyne, Tyne and Wear, NE11 9SN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in UK sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised 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 the 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 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 examination, the date of the course and the date of award of certificate.

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

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

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

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.

1.4 Current asset investments

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

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

The fair value movement credited/(debited) to the profit and loss for the year is £66,413 (2020 £(51,917)).

1.5 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.

1.6 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.

1.7 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.

1.8 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

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 tax

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

the year end and that are expected to apply to the reversal of timing differences.

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.

1.9 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in surplus or deficit in the period in which it arises.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the performance/accrual model.

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

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.14 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.

1.15 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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

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.

2 Judgements and key sources of estimation uncertainty

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.

3 Exceptional items

	2021	2020
	£	£
Income		
Coronavirus job retention scheme grants receivable	-	66,472
Expenditure		
Regulatory professional fees	79,073	53,343

The above 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.

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Total	17	18

5 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	88	280

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

6 Tangible fixed assets

	Freehold property	Office equipment	Computer software	Computer equipment	E-books	Total
	£	£	£	£	£	£
Cost						
At 1 October 2020	1,030,302	18,074	79,343	36,435	104,520	1,268,674
Additions	-	3,688	8,649	2,183	-	14,520
Disposals	-	-	-	(984)	-	(984)
At 30 September 2021	<u>1,030,302</u>	<u>21,762</u>	<u>87,992</u>	<u>37,634</u>	<u>104,520</u>	<u>1,282,210</u>
Depreciation and impairment						
At 1 October 2020	1,932	12,437	33,586	2,043	104,520	154,518
Depreciation charged in the year	-	3,561	17,062	7,316	-	27,939
At 30 September 2021	<u>1,932</u>	<u>15,998</u>	<u>50,648</u>	<u>9,359</u>	<u>104,520</u>	<u>182,457</u>
Carrying amount						
At 30 September 2021	<u>1,028,370</u>	<u>5,764</u>	<u>37,344</u>	<u>28,275</u>	<u>-</u>	<u>1,099,753</u>
At 30 September 2020	<u>1,028,370</u>	<u>5,637</u>	<u>45,757</u>	<u>34,392</u>	<u>-</u>	<u>1,114,156</u>

Included in the cost of freehold property is land of £215,021 (2020 £215,021) which is not depreciated.

7 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	299,592	278,061
Other debtors	397	-
Prepayments and accrued income	233,638	253,764
	<u>533,627</u>	<u>531,825</u>

8 Current asset investments

	2021 £	2020 £
Listed investments	<u>186,203</u>	<u>117,697</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

9 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans	39,467	25,500
Trade creditors	323,251	289,400
Corporation tax	88	280
Other taxation and social security	16,592	23,703
Other creditors	9,934	9,461
Accruals and deferred income	631,404	565,495
	<u>1,020,736</u>	<u>913,839</u>

10 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	<u>291,588</u>	<u>332,713</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>133,721</u>	<u>197,380</u>
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11 Secured liabilities

Bank loans secured on the company's freehold property are £281,055 (2020 £308,213)

12 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

13 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021	2020
	£	£
	<u>2,392</u>	<u>3,780</u>

14 Related party transactions

During the period the company charged a fee of £11,250 (2020 £5,000) to the AIA Benevolent and Educational Trust for administrative costs. At the year end an amount of £31,553 (2020 £20,303) was owed by the trust.

Total compensation paid to key management personnel in the year was £129,383 (2020 £124,000).

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DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2021

	2021		2020	
	£	£	£	£
Turnover				
Subscriptions and fees receivable		1,612,448		1,535,561
Other operating income				
Government grants receivable	1,250		-	
Sundry receipts	11,250		5,350	
Coronavirus job retention scheme grants receivable	-		66,472	
		12,500		71,822
Administrative expenses				
Wages and salaries	660,712		621,804	
Social security	67,432		57,055	
Staff pension costs defined contribution	28,303		28,395	
Council and committee expenses	676		1,229	
Practice monitoring and visits/AML	5,948		4,620	
Rent, rates and insurance	28,551		24,070	
Heat, light and cleaning	6,614		12,609	
Repairs and renewals	90,011		63,794	
Examinations	327,949		217,589	
Branch network	69,216		90,601	
Legal and professional fees	37,836		19,867	
Audit fees	10,534		10,214	
Bank charges	42,826		45,579	
Printing, stationery and advertising	14,619		18,074	
Public relations	135,200		204,805	
Postage and telephone	15,115		13,108	
Miscellaneous expenses	13,485		8,282	
Depreciation	27,939		26,174	
Profit or loss on sale of tangible assets (non exceptional)	986		15,795	
Profit or loss on foreign exchange	-		106	
		(1,583,952)		(1,483,770)
Exceptional items				
Regulatory professional fees	(79,073)		(53,343)	
		(79,073)		(53,343)
Operating (deficit)/surplus		(38,077)		70,270
Interest receivable and similar income				
Bank interest receivable	462		1,471	
Dividends receivable	2,679		96	
		3,141		1,567

ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2021 (CONTINUED)

	2021		2020	
	£	£	£	£
Interest payable and similar expenses				
Mortgage interest	4,503		4,187	
Other interest	473		451	
	<u> </u>		<u> </u>	
		(4,976)		(4,638)
Other gains and losses				
Gain/(loss) on revaluation of investments		66,413		(51,917)
		<u> </u>		<u> </u>
Surplus before taxation		26,501		15,282
		<u> </u>		<u> </u>