



AIA
THE ASSOCIATION
OF INTERNATIONAL
ACCOUNTANTS



2018
ANNUAL REPORT
For the year ended 30 September 2018



THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS
Creating World Class Accountants



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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

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WELCOME

The Association of International Accountants (AIA) is a professional accountancy body which offers world-class qualifications and membership services throughout the world, promotes the advancement of financial education, and offers a membership framework based on opportunity, career development and best practice. AIA's qualifications provide those with a desire to work in finance with the appropriate skills, knowledge and ethical behaviours required by businesses; our ongoing membership support allows members to work across different sectors in a fast paced and changing profession.

Vision

To offer world-class training and support to accountants globally.

Our members

AIA membership is obtained by a combination of examination and work experience and in the period of the report there was solid membership growth. We support members throughout their accountancy career by offering further training and guidance from Head Office in the UK and via an international branch network.

Working in the public interest

Ensuring that AIA, and its members, work in the public interest is central to AIA's ethos and in doing so safeguards the reputation, professionalism and integrity of the accountancy sector and we do this in several ways:

- Maintaining a qualification framework and ethical code that is robust in its testing and demanding in its expectation.
- Working for greater public understanding of the accountancy sector via financial education, communication and consultation.
- Supervising members for compliance with legislation, regulation and membership requirements and undertaking disciplinary action when required.
- Actively engaging with government, regulators, standard-setters, businesses and other professional bodies on areas that affect the profession.



PRESIDENT AND CHIEF EXECUTIVE'S STATEMENT

The 2017/2018 period was not without significant distractions, from political upheaval to regulatory changes, which created ongoing uncertainty for businesses, members and the wider profession. Against this backdrop AIA has worked hard to maintain a sound financial position, improve services to members and students, strengthen its compliance and regulatory function and deliver membership growth. In 2018 AIA also celebrated its 90th anniversary and this not only provided the opportunity to consider our longevity, success and continued development, but also how the organisation should evolve to meet the challenges of the future.

AIA believes passionately in the advancement of financial education throughout the world and in the importance of delivering high value qualifications that support the careers and ambitions of its members and students; our work throughout the period reflects this. Our business model is based on acquiring students, supporting them through the qualification process, retaining them as members and ensuring that we deliver a career-long support platform. Providing opportunity for all means that we had to look carefully at the membership pathways we offered and consider new methods of enabling members to reach their target of obtaining a professional qualification. In some jurisdictions, such as Malaysia, we worked with University Selangor to offer a joint certification programme, allowing members to obtain the AIA professional qualification alongside a BA(Hons) in Accountancy. In the UK we continue to offer the AIA professional qualification via the Regulated Qualifications Framework (RQF) where students may undertake the three component levels of the qualification as stand-alone units, giving greater flexibility. For those students wishing to undertake qualification via distance learning we have continued to develop our student support programme, *AIA Achieve*, providing greater interaction with the academic team as well as tailored guidance.

Operating in a fast-paced and competitive market means AIA must constantly look ahead and adapt, whether that be embracing new technologies to offer better service or restructuring the professional qualification to educate the accountants of the future. During much of this reporting period the focus has been on developing a new professional qualification syllabus and work has been undertaken to ensure it delivers in terms of content, knowledge and skills as well as meeting the needs of regulators, employers and businesses. Alongside that development AIA adopted a new constitution, updated to incorporate new legislation and regulatory requirements and streamlined to remove unnecessary Articles, allowing flexibility for responding to the changing regulatory environment so AIA is better able to adapt and grow.

AIA operates in conjunction with partners around the world, sharing common goals. Our connections range from study providers, universities and other professional bodies who support our deliverance of world-class qualifications to policy networks



and associations such as The Commonwealth and HM Government's Northern Powerhouse Partnership programme that AIA work with to facilitate our policy objectives of delivering opportunity and social mobility through education. These connections, which include our entire membership network, mean that AIA can deliver on its membership promises globally.



AIA is an inclusive and welcoming workplace and our staff frequently exceed expectation in meeting their performance targets, providing a high-quality service to members, stakeholders and the public. To ensure that our staff feel truly supported at work, AIA invested in an independent HR function, commissioning a specialist company that ensures all HR policies and procedures are in line with best practice, supports staff in times of difficulty and offers a specialist well-being and advice line for employees. During the year, long-serving employee Jack Turnbull chose to retire from the AIA. Jack has been an active AIA member for over 50 years and initially took up the position of Director General in 1989. Under his direction AIA experienced significant growth across several markets and was awarded Recognised Qualifying Body (RQB) status for statutory auditors in 1994; he remains a passionate supporter of the AIA.

The work completed over the last year has laid down a solid foundation for the future and we are confident that what we have in place now will ensure our long-term success.

QUALIFICATIONS

DEVELOPMENT OF THE NEW STRUCTURE FOR THE AIA PROFESSIONAL QUALIFICATION

During 2018 progress continued to finalise the detailed syllabus for the individual subjects within the overall framework of the new professional qualification, including liaising with the Financial Reporting Council, the expected pattern of questions for examinations and the required pass marks for progression between the stages of qualification. For example, points were resolved in relation to the syllabuses for taxation and law, each of which will be covered by one examination only, and ethics, which is to be included as a separate examination for the first time.

The review of the examinations for the AIA professional qualification has produced a streamlined flow from Foundation through two Professional levels, with a strong emphasis on relevant application through multi-disciplinary case studies. The focus on application, analysis, synthesis and evaluation in the Professional syllabus and examinations leads to learning outcomes commensurate with academic programmes for a Master's degree. There is a strong focus on learning outcomes, maintaining relevance for all UK-based requirements but with an added focus on the International Accounting Education Standards Board (IAESB) standards for professional education in the accountancy profession. The new structure will comprise three stages of qualification, with appropriate progression in the levels of cognitive attainment expected at each stage:

- An integrated Foundation (covering Financial Accounting, Management Accounting, Corporate Governance, and Audit and Business Management). Exemption will be possible through recognition of equivalent relevant higher education qualifications. Candidates assessed by examination must meet a minimum level in each of the component areas as well as achieving the required pass mark for the overall Foundation. This level will be assessed entirely by objective test format questions.
- Professional Stage 1, comprising five papers: Financial Accounting and Reporting 1, Principles of Governance and Audit, Management Accounting, Business Law, and Taxation.
- Professional Stage 2, comprising a further five papers: Financial Accounting and Reporting 2; Developments in Assurance and Accountability, Financial Management, Ethics and Professional Practice, and a Multi-disciplinary Case Study. The last of these can only be taken when the requirements of the other four papers have been met.

Financial Accounting

Financial accounting in the Professional levels of the new syllabus places strong emphasis on learning outcomes and assessment, application and analysis, plus synthesis and evaluation. This ensures that knowledge acquired is applied and interpreted in ways that are relevant to the accounting profession and those whose needs it serves. A multi-disciplinary case study tests the ability to apply what is learned to a real-life scenario, incorporating ethical as well as technical standards. UK-specific requirements for technical expertise are covered, with the added relevance of meeting the expectations of the IAESB standards.

Management

The management stream provides candidates with the knowledge to understand how business works and how different business functions operate together. The qualification provides candidates with the commercial skills and knowledge that are needed to progress to senior board level positions. The modules develop both strategic and management skills and focus on practice as well as theory. Successful candidates will develop the abilities to advise on risk management and strategy along with the traditional finance skills associated with accountancy. The qualification facilitates working with interdisciplinary teams and departments allowing an operational connection with finance and commercial realities.

Tax

The new taxation paper aims to develop, in a single, middle-level paper, candidates' understanding of the legal and ethical responsibilities of an accountant working in taxation. As well as requiring candidates to calculate tax, the sample material currently in production will show a significant emphasis on the day-to-day practicalities of compliance, over and above calculations. For example, deadlines, claims for relief, and cash considerations will be examined, alongside typical real-world issues such as dealing with late returns and amendments and handling client information which is incomplete or contains errors.

Ethics

The new Professional 2 level paper, 'Ethics and Professional Practice', is an exciting development for the AIA. It brings together the ethical theories underlying the Codes and Standards of professional accountants, and the practical issues and dilemmas that accountants face in their everyday working lives. Several practical areas of accountants' working life will be discussed, including Corporate Governance, Taxation and Public Sector Accounting. Successful completion of this paper will not only



Auditing procedures are developed and extended to cover more challenging reporting areas.



increase awareness of ethical problems, but provide tools with which to assist in decision-making. It will further augment and consolidate the learning embedded in the Professional 1 level papers.

Law

Under the new syllabus, the separate papers in 'law' and 'company law' are being replaced with a single paper in Business Law. This is now focused on the key aspects of law which an accountant is likely to meet in his or her professional career. It ensures students will still have a firm grounding in the essential legal concepts and legal relationships they need to grasp, as well as a deeper understanding of the legal framework for creating and managing companies, including those in financial distress. The form of assessment has also been re-designed and shortened to just five questions, but all are now compulsory, to ensure that students are fully tested on the learning outcomes of the module. As before, 'case study' type problem questions are used to ensure that students demonstrate their ability to apply their knowledge to realistic practical scenarios.

Audit

The Audit stream of papers comprises three distinct elements all building from one paper to the next to provide the student with the knowledge and scaffolding necessary to build understanding, application and confidence to get to the required AIA professional standard. The Foundation level component: Corporate Governance and Audit is designed to be incorporated

into the Foundation examination alongside the other three areas of knowledge and understanding; Financial Accounting, Management Accounting and Business Management. This comprehensive Foundation Paper is intended to establish that AIA students have attained the necessary knowledge and skills to progress onto Professional 1 examinations. The Professional 1 level Audit Paper: Principles of Governance and Audit provides the AIA student with the opportunity to gain further knowledge and understanding of corporate governance and audit and then build their confidence and expertise by applying this knowledge and understanding to practical and authentic scenarios. This paper must be successfully completed before the Professional 2 level Paper: Developments in Assurance and Accountability can be undertaken. The Professional 2 paper extends the AIA student's understanding of audit, assurance and professional auditing techniques. Auditing procedures are developed and extended to cover more challenging reporting areas, current practices are examined, and critiqued and future developments explored. In addition to providing a thorough professional grounding in audit, other assurance areas and emerging areas are incorporated to ensure the student can apply current audit techniques in the same manner as a competent, professional auditor in practice would do.

The emphasis for 2019 is now on developing both study materials to inform and support student learning and sample examination questions to help set expectations for assessment in the new arrangements. The intention is to publish these materials ready for launch of the first set of assessments under the new structure for the AIA qualification in 2020.

COMPLIANCE AND REGULATION

CONSTITUTION

A review of AIA's Constitution was carried out in February 2018 and identified several significant changes required to the overall structure and content of the document.

The review included specific amendments resulting from the introduction of new legislative and regulatory requirements alongside changes in best practice.

The new Constitution was introduced in October 2018 and has the following structure:

- Memorandum of Association
- Articles of Association
- Bye-Laws
- Regulations
- Code of Ethics

The overall coverage of the Constitution has not been significantly altered, i.e. AIA's membership requirements, qualification standard and obligations for members to adhere to AIA's rules, regulations and Code of Ethics remain in place.

The new Constitution will continue to meet the needs of our members and regulators.

Reducing Unnecessary Articles

The legal structure of the Articles of Association remains the most rigid part of the Constitution. The review identified this rigidity as a risk when consideration must be given to introducing new regulatory requirements and alterations have been made to remove significant delay in implementing necessary future changes.

The Articles have been amended to ensure that the core structure of the company, liability of members and other requirements that must remain in place are retained within the Articles and the rules and regulations governing the day-to-day operation of the Association are covered by both the Bye-Laws and Regulations.

This ensures flexibility for the Association in responding to the changing regulatory environment whilst also ensuring that the legal requirements of the company are met.

Adding Flexibility to Bye-Laws

The existing Bye-Laws have been amended to make provision for the creation of Regulations by the Council in specific areas and to reduce the level of detail unless necessary and conducive to continuing best practice.

Introducing Regulations

For the first time AIA has introduced Regulations in the Constitutional Documents.

Higher levels of detail, regulatory requirements that must be amended more frequently and procedures and processes are covered in AIA's new Regulations sections.

Regulations cover the following main areas of the AIA's operations:

- Members
- Students
- Public Practice
- Complaints, Disciplinary and Appeals
- Continuing Professional Development
- Examinations, Qualifications and Training

Members' interaction with the Constitution in future will be mainly set out in Regulations which contain the requirements for continuing membership and rules surround the disciplinary process.

Regulations may be amended by resolution of Council, ensuring flexibility for changing regulatory requirements and enabling more efficient updating.





The process for Quality Assurance recommendations has been streamlined to enable these issues to be closed more expediently.

Redistributing Committee Responsibilities

The powers, and responsibilities for Committees of the Council have been reviewed and amended to reflect the introduction of the AIA Exam Board and to create more flexibility in processes.

The Applications Committee has been renamed as the Applications & Membership Committee and has the added responsibility for accepting applications for Practising Certificates which has been transferred from the Qualifications Committee.

The Qualifications Committee, as well as having responsibility for all Qualifications offered by the Association, deals with applications for institutions applying for approved study centre status and all recommendations relating to exam sittings received from the Exam Board.

Complaints, Disciplinary and Appeals Processes

The process for Quality Assurance recommendations has been streamlined to enable these issues to be closed more expediently. The Practice Compliance Committee's activities may now be judged a bona fide investigation and its decisions reported directly to the Disciplinary Committee.

For complaints received by the Association regarding its membership a provision is introduced to allow for mediation at a secretarial level between the complainant, respondent and Secretary. In addition, the Secretary may decide that a complaint

does not fit within the strict scope of AIA's Disciplinary process in certain circumstances. Both sets of decisions must be reported to the Investigations Committee on a regular basis.

Sanctions have been amended with reference to new regulatory requirements, the EU Audit Directive and Anti-Money Laundering Regulations 2017.

GDPR Compliance

With the introduction of the General Data Protection Regulation (GDPR) in May 2018 the constitution has been amended to ensure it is flexible to fit the changing requirements of Data Protection legislation.

Notwithstanding AIA has made amendments to its internal processes and procedures to take into account the new GDPR, including updating its Privacy Policy.

Including the Code of Ethics

The inclusion of the Code of Ethics into the body of the Constitution further reinforces the importance of this document to our members and highlights the regulatory requirements of the Association.

AIA members have always been obliged to adhere to the Code of Ethics.

PUBLIC INTEREST

AIA continues to work to build trust in the profession as financial scandals have once again reduced confidence in the financial sector and at the heart of this is AIA's commitment to embedding ethics and professional conduct into both its qualification and membership requirements, backed up by a robust system of regulation and disciplinary.

As part of the ongoing syllabus review, AIA sought the view of academics, accountants and employers and have further enhanced the depth and visibility of ethical standards and testing in the syllabus. For the first time the new AIA qualification will offer a paper on Ethics and Professional Practice, which serves to set clear levels of ethical expectations with our students and continue to build upon these strong foundations throughout the AIA membership journey. Ethical decision making comes in many forms for an accountant and the AIA's standards are high for its members: demanding that they observe the Code of Ethics, operate within the legal and regulatory parameters, manage risk in a proportionate way, treat all parties fairly, and act in the public interest.

AIA's reputation is based upon maintaining the high standards within its professional qualification and ensuring that regulatory and disciplinary functions operate to serve the public. To enhance the existing arrangements AIA has entirely separated the compliance and disciplinary functions to offer more scrutiny and scope for independent analysis.

Throughout the year AIA also continued to expand our public policy work both in the UK and overseas by working ever more closely with government and policymakers to ensure they understand the complexities of working in financial services during what has been an uncertain period. These activities have included: representations to the Malaysian Institute of Accountants (MIA), responding to Hong Kong and UK government consultations and attending meetings with regulators, standard-setters as well as HMRC, HM Treasury, the Department for Exiting the European Union and the Department for Business, Energy and Industrial Strategy.

AIA welcomes HM Government's Northern Powerhouse strategy and the combined effort by government and business to realise the potential of the region. In 2018 AIA took part in a number of Northern Powerhouse initiatives and witnessed first-hand the benefits of a collaborative approach between organisations and government to facilitate change and became an official partner. The Northern Powerhouse Partner programme brings together a rapidly growing coalition of private and public sector organisations

who proudly champion the strengths of the region. Whilst already well established, AIA through this new forum is working with new partners that share its vision to equip the next generation with the opportunities and training they need to succeed in a globally competitive economy.

Combatting Criminality

AIA takes both its regulatory and professional competence role seriously. The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR 2017) came into force on 26 June 2017. They implement the EU's 4th Directive on Money Laundering.

The MLR 2017 was subject to two rounds of consultation the first between September and November 2016 and the second between March and April 2017. On both occasions AIA completed submissions to government to reflect the AIA's position on AML compliance.

MLR 2017 constitutes an evolution of content and a reorganisation of structure with the intention to improve upon and close perceived gaps in the MLR 2007, including:

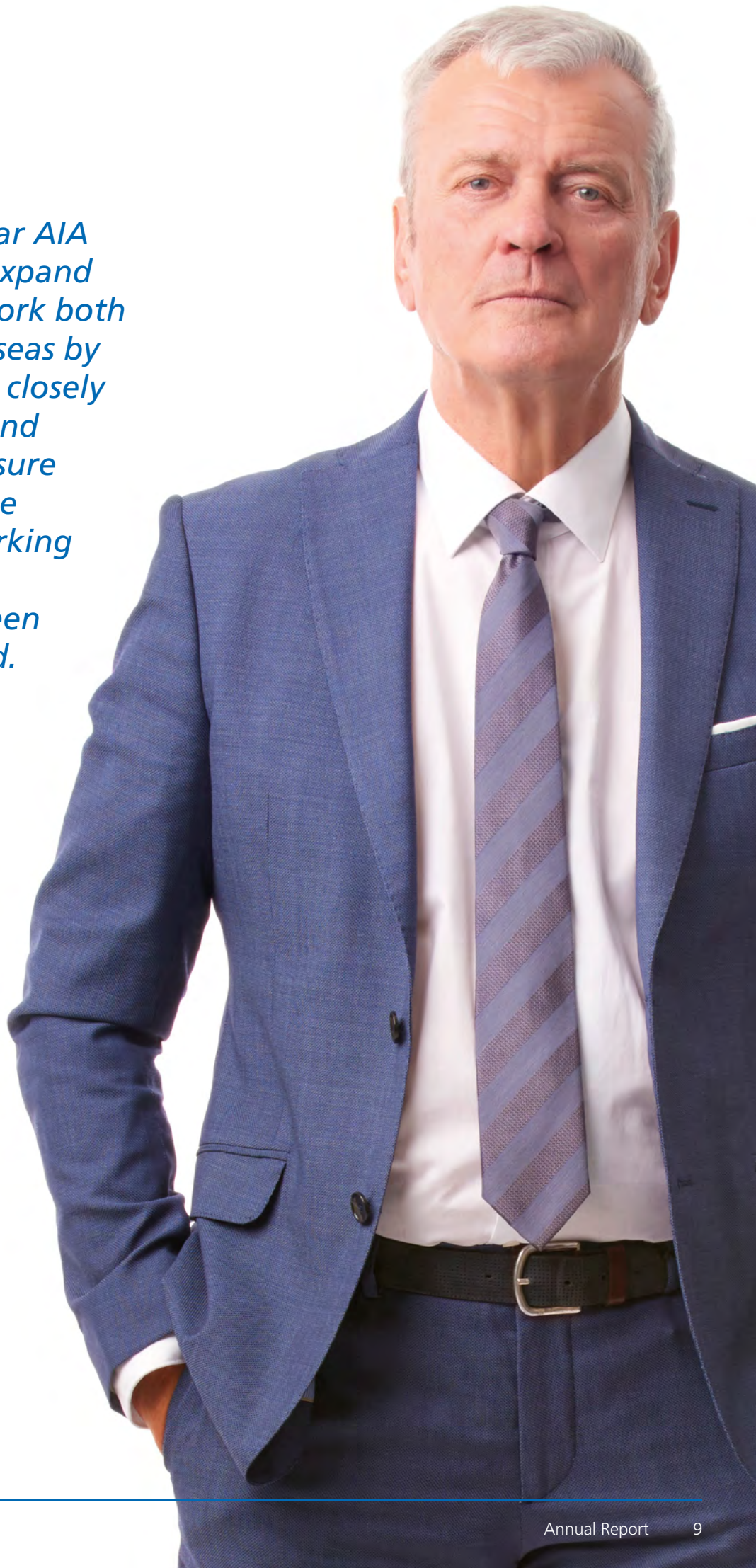
- changing the approach to customer due diligence
- seeking to prevent new means of terrorist financing, including through e-money and prepaid cards
- improving transparency of beneficial ownership of companies and trusts
- effectively enforcing sanctions.

AIA also welcomed the Office for Professional Body AML Supervision (OPBAS) to its Head Office in 2018 to assess the supervisory provision of its members in relation to AML. Having already undertaken an internal review on the compliance function and implemented measures to strengthen the AIA's risk assessment of firms and separate the advocacy and disciplinary functions within the organisation, it was beneficial to have the opportunity to discuss further changes that would result in best practice and strengthen the AIA's compliance regime.

AIA continued its work in the public interest throughout the reporting period to highlight to members the threat of money laundering, promote professional and ethical business practices, and instil a sense of responsibility to its members to tackle financial crime. AIA also worked alongside other professional bodies, government and law enforcement partners to collaborate with a shared purpose of further embedding the profession's responsibility to support AML activities.

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INTERNATIONAL

Singapore

There have been significant changes for accountants operating in Singapore throughout the year and the AIA Singapore Branch has taken a lead in ensuring that members are kept fully briefed, organising successful events detailing changes to the Companies Act and IFRS that will be implemented in 2019. In response to feedback from members, the Branch is aiming to publish a Handbook for Corporate Service Providers by the end of 2019, which will act as a resource tool for all members.

Outside of supporting members with technical support, the Branch has actively promoted AIA and represented members by working with government, statutory boards and other professional bodies in both Singapore and Malaysia. Representations were made to the Inland Revenue and the Accounting and Corporate Regulatory Authority (ACRA) throughout the period, as well as participating in numerous meetings and presentations with the Malaysian International Chamber of Commerce & Industries (MICCI, Johor), the Singapore National Library, the People's Association, and the Singapore Institute of Engineering Technology.

The Branch also arranged networking and social events for members to ensure that the AIA's 90th anniversary was celebrated in Singapore.

Greece

The Greek Branch has worked tirelessly to further AIA recognition, meeting with government ministers, regulators, universities and other professional bodies. In 2018 the Branch had a series of meetings with the Hellenic Accounting and Auditing Standards Oversight Board to discuss approved professional body status for the provision of Continuing Professional Education for statutory auditors and accountants, which will not only ensure that AIA can offer better services to its own members, but also the wider profession, on topics such as legislative changes, new regulations, and best practice techniques. The application was approved in December 2018.

In conjunction with its longstanding partner in Greece, Epsilon Net, AIA met with the University of London to discuss launching a collaborative Global MBA in Accounting and Finance, available to members and students from 2019.

Malaysia

Throughout 2018 the Malaysia Branch representatives worked alongside its university partner, the University of Selangor (UNISEL) to promote the joint degree programme, a pathway which was specifically developed after research and collaboration with employers to ensure that it delivered the skills, knowledge and experiences that they demand of finance professionals. The programme also gives students the unique opportunity of obtaining a BA(Hons) degree, the AIA professional qualification and overseas work and study prospects within a single learning pathway.

Recruitment activities included the development of the degree programme website and promotional materials as well as attendance at various education and accountancy related exhibitions and fairs.

The election in 2018 also saw a new party elected to government for the first time in 60 years and consequently there was some disruption to the AIA public affairs programme in the region, however AIA did continue to meet with the Malaysian Institute of Accountants (MIA) and other universities to discuss the changing landscape of the accountancy profession in Malaysia and the contribution that AIA makes to the financial sector in the country. Further recruitment and promotional activities are scheduled for 2019.

Hong Kong and Macau

The AIA Hong Kong and Macau Branch continued to provide continuing professional development and networking opportunities to members and a dedicated direct membership service. The branch hosted conferences in the period, focussing on tax and regulatory compliance issues which were well attended and relevant to the changing landscape of those working as accountants and financial advisors.

Developing links with other professional bodies and study providers remains a core activity, alongside offering student support and guidance to those undertaking the AIA professional qualification. In 2017/2018 the Branch delivered a programme of financial education through the provision of business competitions, awards and seminars to several study providers, schools and colleges and promoted the many rewards of a career in the financial services sector.

The Branch also plays a pivotal role in ensuring that AIA, and its members, are represented in Hong Kong's growing financial services sector and liaised with a number of organisations such as BDO and Buzacott as well as legal firms, regulators and other professional bodies.

China

China remains a strong growth market for the AIA for both students and members. Having established the AIA UK Beijing Representative Office in 2017, AIA has been able to strengthen its presence throughout the country and offers effective and timely member services, events and networking opportunities as well as working to develop the number of study providers offering the AIA professional qualification and explore further collaboration with the Chinese government and financial regulators.

Working with longstanding partners Metro Education, AIA consolidated on earlier efforts in establishing links with universities and in November 2018 signed a cooperation agreement with Jinan University Education College in Guangzhou to promote international accounting within the Guangdong province and Liaoning University to open another pathway for students wishing

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Developing links with other professional bodies and study providers remains a core activity



to obtain a professional qualification. AIA also continued to work with the China Association of Chief Financial Officers (CACFO) to offer a joint certification programme and promote the many benefits of maintaining membership of a professional body. AIA continued to work closely with the Chinese Institute of Certified Public Accountants and welcomed over 250 new members via the conversion programme.

AIA also signed an agreement with Beijing National Accounting Institute (BNAI) to provide continuing professional development (CPD) for Chinese members to assist them in meeting the ongoing CPD requirements of membership. Chinese members have access to over 100 hours of courses covering accountancy, business and finance topics that will assist them throughout their careers.

Ghana

The Ghana Branch increased membership throughout the period and continues to register members via the mutual recognition agreement with the Institute of Chartered Accountants in Ghana, as well as from other professional bodies. Student membership has also increased, and the Branch has worked hard to strengthen AIA's profile within universities and tertiary institutions to offer another pathway to the AIA professional qualification. In 2018 the Branch announced it had obtained an agreement in principle from Valley View University to run the AIA Professional Accountancy courses, which follows approval in August by the Educational Authorities, which in turn led to an agreement with the University of Professional Studies, Accra (UPSA) to run the AIA Professional Accountancy courses from the 2018/19 academic year.

Ireland

AIA continues to support members in the Republic of Ireland with the provision of high quality CPD, regulatory guidance

and events. AIA also maintains dialogue with the Irish Auditing and Accounting Supervisory Authority (IAASA) and regularly attends meetings to discuss the profession in Ireland with other stakeholders, professional bodies and government.

After receiving feedback from members, AIA approached the Department of Justice and Equality and the Department of Social Protection to request that AIA members were included in the panel of accountants which has been established as part of Abhaile – the State funded scheme of Aid and Advice for borrowers in home mortgage arrears. The application was approved in August 2018 and a number of members have signed up to the scheme.

Taiwan

Taiwan remains a growth market for AIA and we have continued to see a positive market response to the AIA professional qualification and membership. Working with our partners in the region AIA has developed further relationships with new study providers to ensure that there is adequate availability. As part of this outreach project AIA was also able to consolidate working relationships with universities in Taiwan and the UK to discuss alternative pathways to membership.

India

AIA travelled to India in late 2017 as part of the Northern Powerhouse trade mission and met with the Confederation of Indian Industry to outline the potential for UK companies to link with educational centres in India and work together. As a direct result AIA opened discussions with Bangalore University to work together to promote the advancement of accountancy and finance education in India.

THE FUTURE

As we prepare for the future our goal remains the same: providing world class qualifications, training and member services to our members wherever they are in the world; however, we also face some significant changes to the professional and economic landscape which we must prepare for.

BREXIT

At the time of writing the UK is deciding its future relationship with the European Union, although the shape of Brexit and its impact is unknown. Over the last two years AIA has been heavily involved in meetings with government and civil servants to analyse and discuss the various affects that would come from this in terms of how accountants and auditors will undertake their work. From responding to the government's Brexit proposals to stakeholder meetings with other professional bodies, AIA has championed the needs of its members and, in particular, the SME sector to minimise uncertainty and ensure that it is possible to plan for both the risks and opportunities that Brexit presents.



IT and Infrastructure

AIA has invested heavily in new IT systems that will not only improve digital organisation and integration but also advance management controls for protecting member data and delivering better services.

As part of this process a new customer relationship management structure was implemented that combines best practice, strategies and technologies to manage and progress member communication and service throughout the lifecycle of the member journey, utilising some automation technologies to improve overall efficiency.

This is coupled with the new brand launch and website that is set to be implemented in 2019 and allow AIA to develop better online services and customer relationship management.

BRAND AND WEBSITE

'Excellence in accountancy' is the core value that underpins the project to implement AIA's rebrand and launch of a new website with increased functionality. This ethos describes the approach to everything we do and applies to all aspects of the qualification, membership requirements, services and communications.

We operate in a fast-paced technologically advanced environment where there is an expectation to access information quickly and efficiently. The redevelopment of the website will enable AIA to exceed member, student and partner expectations and it makes sense to deliver this in line with a brand redevelopment.

A strong brand is a consistent brand and there are aspects of the existing brand that will remain, reflecting AIA's history and culture.

AIA is a long-established worldwide association with a global network of accountants. This presents different challenges in developing an appropriate cross-cultural colour palette and the world today places ever greater value on the visual thanks to the rise and influence of social media and the ubiquity of screens in our digital age.

AIA's aim is for the brand to always look its best across all channels, including the consistent and appropriate application of colour. It defines us as an organisation, dictates mood and helps us communicate our brand ethos.

There are several key elements of the current branding, making AIA instantly recognisable in the marketplace, which will remain in place such as the strapline, shield and griffin.

Our strapline 'Creating World Class Accountants' will continue to be used in the majority of our external communications, as an inspirational statement that expresses what we continually strive to achieve. The strapline continues to underpin our brand philosophy and supports our brand values. The shield and griffin on the AIA logo remain in place with an exciting and fresh new look.

GOVERNANCE AND STRUCTURE

AIA operates under the terms of the constitution, by-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 and the Office of Qualifications and Examinations Regulation as an Awarding Body, working within a framework that is committed to the highest standards of corporate governance.

THE COUNCIL

The AIA 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 have held office during the whole of the period from 1 October 2017 to the date of this report.

President:	L D Bradley
Vice President:	S Moallemi
Vice President:	M Timoney

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

COMPANY INFORMATION

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THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2018

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2017 to the date of this report.

H G McCormack	M Timoney
L D Bradley	J Block
A R Lamb	P M 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

Other changes in directors holding office are as follows:

A Chrislides - deceased 18 December 2017

FINANCIAL INSTRUMENTS

The company has a bank loan which is repayment mortgage 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:

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS FOR THE YEAR ENDING 30 SEPTEMBER 2018

Opinion

We have audited the financial statements of The Association of International Accountants (the 'company') for the year ended 30 September 2018 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 2018 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.

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
- 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE ASSOCIATION OF INTERNATIONAL ACCOUNTANTS FOR THE YEAR ENDING 30 SEPTEMBER 2018

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. 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:

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.

INCOME STATEMENT

FOR THE YEAR ENDING 30 SEPTEMBER 2018

	Notes	2018		2017	
		£	£	£	£
TURNOVER			1,665,080		1,686,413
Administrative expenses			1,624,537		1,677,945
			40,543		8,468
Other operating income			13,367		18,934
OPERATING SURPLUS			53,910		27,402
Exceptional operating costs	5		22,516		26,426
			31,394		976
Income from fixed asset investments		7,451		5,952	
Interest receivable and similar income		1,097		1,751	
			8,548		7,703
			39,942		8,679
Gain/(loss) on revaluation of investments			(12,256)		12,802
			27,686		21,481
Interest payable and similar expenses			5,584		4,991
SURPLUS BEFORE TAXATION			22,102		16,490
Tax on surplus			197		353
SURPLUS FOR THE FINANCIAL YEAR			21,905		16,137

The notes form part of these financial statements

BALANCE SHEET

AS AT 30 SEPTEMBER 2018

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		1,116,655		1,100,625
CURRENT ASSETS					
Stocks		8,736		12,259	
Debtors	7	564,486		338,340	
Investments	8	109,087		114,300	
Cash at bank		<u>555,663</u>		<u>725,792</u>	
		1,237,972		1,190,691	
CREDITORS					
Amounts falling due within one year	9	<u>530,437</u>		<u>463,548</u>	
NET CURRENT ASSETS			707,535		727,143
TOTAL ASSETS LESS CURRENT LIABILITIES			1,824,190		1,827,768
CREDITORS					
Amounts falling due after more than one year	10		<u>334,399</u>		<u>359,882</u>
NET ASSETS			<u>1,489,791</u>		<u>1,467,886</u>
RESERVES					
Income and expenditure account			1,489,791		1,467,886
			<u>1,489,791</u>		<u>1,467,886</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies. The financial statements were approved by the Board of Directors on 29 January 2019 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 2018

	Retained earnings £	Total equity £
Balance at 1 October 2016	1,451,749	1,451,749
Changes in equity		
Total comprehensive income	<u>16,137</u>	<u>16,137</u>
Balance at 30 September 2017	<u>1,467,886</u>	<u>1,467,886</u>
Changes in equity		
Total comprehensive income	<u>21,905</u>	<u>21,905</u>
Balance at 30 September 2018	<u><u>1,489,791</u></u>	<u><u>1,489,791</u></u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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 page 13.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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 £(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 23 (2017 - 25).

5. EXCEPTIONAL ITEMS

	2018	2017
	£	£
Exceptional operating costs	<u>22,516</u>	<u>26,426</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 2018

6. TANGIBLE FIXED ASSETS

	Freehold property £	Office equipment £	Computer software £
COST			
At 1 October 2017	1,028,745	51,045	44,800
Additions	-	1,175	37,196
At 30 September 2018	1,028,745	52,220	81,996
DEPRECIATION			
At 1 October 2017	1,932	27,315	11,451
Charge for year	-	5,979	13,259
At 30 September 2018	1,932	33,294	24,710
NET BOOK VALUE			
At 30 September 2018	1,026,813	18,926	57,286
At 30 September 2017	1,026,813	23,730	33,349
	E-Books £	Computer equipment £	Totals £
COST			
At 1 October 2017	104,520	52,476	1,281,586
Additions	-	1,328	39,699
At 30 September 2018	104,520	53,804	1,321,285
DEPRECIATION			
At 1 October 2017	104,520	35,743	180,961
Charge for year	-	4,431	23,669
At 30 September 2018	104,520	40,174	204,630
NET BOOK VALUE			
At 30 September 2018	-	13,630	1,116,655
At 30 September 2017	-	16,733	1,100,625

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

Included in cost of land and buildings is freehold land of £215,021 (2017 - £215,021) which is not depreciated.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	368,533	125,036
Prepayments and accrued income	195,953	213,304
	<u>564,486</u>	<u>338,340</u>

8. CURRENT ASSET INVESTMENTS

	2018	2017
	£	£
Listed investments	<u>109,087</u>	<u>114,300</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Mortgage	25,500	25,500
Trade creditors	174,307	141,685
Corporation tax	197	353
Social security and other taxes	15,989	15,508
Trust fund	8,581	8,172
Accruals and deferred income	305,863	272,330
	<u>530,437</u>	<u>463,548</u>

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

	2018	2017
	£	£
Mortgage due after 5 years	<u>334,399</u>	<u>359,882</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Mortgage due after 5 years	<u>334,399</u>	<u>359,882</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

11. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017
	£	£
Mortgage	<u>359,899</u>	<u>385,382</u>

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

12. CAPITAL COMMITMENTS

	2018	2017
	£	£
Contracted but not provided for in the financial statements	<u>43,550</u>	<u>-</u>

13. OTHER FINANCIAL COMMITMENTS

The total amount of financial commitments not included in the balance sheet amounted to £17,346 (2017- £24,371).

14. RELATED PARTY DISCLOSURES

During the period the company charged a fee of £5,000 (2017- £5,000) to the AIA Benevolent and Educational Trust for administrative costs.

DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	2018	2017
	£	£
Subscriptions and fees	1,665,080	1,686,413
Other income		
Sundry receipts	13,367	18,934
Dividends receivable	7,451	5,952
Bank interest receivable	1,097	1,751
	<u>21,915</u>	<u>26,637</u>
	1,686,995	1,713,050
Expenditure		
Rent, rates and insurance	30,611	21,659
Heat, light and cleaning	15,149	14,163
Wages and salaries	673,635	730,781
Social security	61,087	56,643
Staff pension contributions	13,970	24,635
Postage and telephone	17,038	16,674
Printing, stationery and advertising	2,865	4,059
Public relations	318,588	208,611
Branch network	125,543	226,347
Council and committee expenses	8,822	51,181
Examinations	169,924	176,421
Syllabus review	38,930	-
Repairs and renewals	70,152	59,961
Miscellaneous expenses	9,497	9,731
Legal and professional fees	2,100	2,835
Practice monitoring visits/AML	5,418	17,001
Auditors' remuneration	10,038	9,420
	<u>1,573,367</u>	<u>1,630,122</u>
Carried forward	113,628	82,928

This page does not form part of the statutory financial statements

DETAILED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	2018		2017	
	£	£	£	£
Brought forward		113,628		82,928
Finance costs				
Bank charges	27,501		33,805	
Mortgage interest	5,584		4,991	
		<u>33,085</u>	<u>38,796</u>	
		80,543	44,132	
Depreciation				
Office equipment	5,979		5,738	
Computer software	13,259		4,215	
Computer equipment	4,431		4,065	
		<u>23,669</u>	<u>14,018</u>	
		56,874	30,114	
Gain/(loss) on revaluation of assets				
Gain/(loss) on revaluation of investments		(12,256)	12,802	
		<u>44,618</u>	<u>42,916</u>	
Exceptional items				
Exceptional operating costs		22,516	26,426	
NET SURPLUS		<u>22,102</u>	<u>16,490</u>	

This page does not form part of the statutory financial statements

