

REGISTERED NUMBER: 09350923

THE INSTITUTE OF FINANCIAL ACCOUNTANTS
(A Company Limited by Guarantee)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

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THE INSTITUTE OF FINANCIAL ACCOUNTANTS (REGISTERED NUMBER: 09350923)

COMPANY INFORMATION
For The Year Ended 30 June 2017

DIRECTORS:

D Moore
M Colin (Resigned 23/11/16)
W Leegel (Resigned 23/11/16)
A Conway (Appointed 23/11/16)

COMPANY SECRETARY:

Lorraine Young Company Secretaries Limited

REGISTERED OFFICE:

6th Floor 60 Gracechurch Street
London
EC3V 0HR

REGISTERED NUMBER:

09350923 (England & Wales)

AUDITORS:

James Cowper Kreston
Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

BANKERS:

HSBC Bank plc
69 High Street
Sevenoaks
Kent
TN13 1LB

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

The directors present their report with the audited financial statements of the Company for the year ended 30 June 2017.

Directors

The directors who served the company during the year were as follows:

D Moore
M Colin (Resigned 23/11/16)
W Leegel (Resigned 23/11/16)
A Conway (Appointed 23/11/16)

Principal activities

The principal activity of the company during the year was the representation of financial accountants in industry, commerce, public administration and private practice.

Results and dividends

The profit for the year, after taxation, amounted to £58,620 (2016: £26,530 loss);

Business review

I am pleased to present the company's accounts for the year ended 30 June 2017. The Institute of Financial Accountants (IFA) made a net profit of £58,620 (2016: net loss of £26,530; 2015: net loss of £207,520) for the year under review.

Progress has certainly been made during this financial year to return the IFA back to a position of profit given the net deficit suffered in previous years. We continue our journey to deliver the pledge made to members when the IFA amalgamated with the Institute of Public Accountants (IPA) in January 2015 of 1 member, 2 designations and 3 key benefits, which are greater efficiency, greater effectiveness and greater member value.

We were delighted to join with members and stakeholders in September to celebrate the centenary of the Institute of Financial Accountants. This provided an opportunity to reflect on the successes of the IFA and cast our focus to building the profession for the next 100 years.

During this year critical decisions were required to be taken to reduce the deficit position compared to that of previous years without impacting the services provided to members.

The net profit achieved this financial year can be attributed to the transitional work that has taken place over this year whilst maintaining business as usual and creating the foundations to deliver global growth over the next decade, including

- successful integration of further back office systems, processes and procedures;
- clear focus on membership growth;
- providing greater member value through services provided, CPD, workshops, conferences, branch meetings and the bi-monthly issue of *Financial Accountant*;
- integrated member management, website and financial systems;
- review of Byelaws and Regulations; and
- managing performance and expenditure.

There has been a favourable reduction in general expenditure compared to the last financial year despite an increase in disciplinary, regulatory and compliance costs and the adjustments on the foreign exchange rates for the intercompany loan. In the area of regulation our approach, up to now, has been very much around educational rather than enforcement. However, where members fail or refuse to change their working practices to comply with the regulations disciplinary action has, unfortunately, had to be taken which increases our costs.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

Business has continued as normal during this year which has seen an increase in income compared to the previous year that can be attributed to growth in membership, attendance at CPD events and conferences and strategic partnerships. We shall continue to focus on growing the membership of the IFA, raising brand awareness, as well as the quality and standards of members.

The integrated member management and accounting systems have provided us with stronger assurances regarding the integrity of member information and has allowed us to gain a better and timelier understanding of where our members work and how we can improve on how we meet and support members professional development and technical needs going forward.

In our aim to continue to grow the IFA and maintain a positive financial position, we have clear and defined strategies that we shall be rolling out designed to raise brand awareness, raising quality standards, introducing our new education and qualification programme, how we communicate and engage with members, the delivery of new services and products, including the rollout of global sponsors and partners, and continuing professional development.

Statement of Directors' Responsibilities

The directors are responsible for preparing 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 International Generally Accepted Practice (International Financial Reporting Standards as adopted by the European Union). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance; and
- 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 proper accounting records that 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 and Article 4 of the IAS Regulation. 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.

Statement of disclosure to auditors

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the audit is aware of that information.

THE INSTITUTE OF FINANCIAL ACCOUNTANTS (REGISTERED NUMBER: 09350923)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Auditor

The auditor, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the board
And signed on its behalf by



D Moore
Director

Date:

01/09/17

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INSTITUTE OF FINANCIAL ACCOUNTANTS
FOR THE YEAR ENDED 30 JUNE 2017**

We have audited the financial statements of The Institute of Financial Accountants for the year ended 30 June 2017 which comprise the Income Statement, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standard (IFRS) as adopted by the European Union.

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 auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

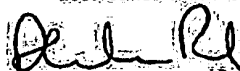
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 of the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.



Alexander Peal BSc (Hons) FCA DCLA (Senior Statutory Auditor)
For and on behalf of

James Cowper Keston
Chartered Accountants and Statutory Auditor
Reading Bridge House
George Street
Reading
RG1 8LS
Date: 2 September 2017

STATEMENT OF COMPREHENSIVE INCOME

	Note	2017 £	2016 £
Revenue	4	1,543,020	1,392,883
Administrative expenses		(1,471,360)	(1,507,671)
Other operating income		-	100,000
Operating profit/(loss)	5	71,660	(14,788)
Finance expense		(13,040)	(10,906)
Loss on disposal of tangible assets		-	(836)
Profit/(Loss) before income tax		58,620	(26,530)
Taxation	9	-	-
Profit/(Loss) and total comprehensive profit/(loss) for the year		58,620	(26,530)

THE INSTITUTE OF FINANCIAL ACCOUNTANTS (REGISTERED NUMBER: 09350923)

STATEMENT OF FINANCIAL POSITION

	Note	2017 £	2016 £
Assets			
Non-current assets			
Plant and equipment	10	13,805	17,354
Goodwill and intangible assets	11	191,820	206,019
		<u>205,425</u>	<u>223,373</u>
Current assets			
Trade receivables	12	24,304	50,328
Other assets	13	207,768	271,738
Cash and cash equivalents	14	580,708	340,707
		<u>812,780</u>	<u>662,773</u>
Total current assets			
		<u>812,780</u>	<u>662,773</u>
Total assets		<u>1,018,205</u>	<u>886,146</u>
Equity and liabilities			
Member's Interests			
Income and expenditure account		(175,430)	(234,050)
		<u>(175,430)</u>	<u>(234,050)</u>
Total equity			
		<u>(175,430)</u>	<u>(234,050)</u>
Liabilities			
Non-current liabilities			
Other loans	15	-	366,390
		<u>-</u>	<u>366,390</u>
Total non-current liabilities			
		<u>-</u>	<u>366,390</u>
Current liabilities			
Other loans	15	365,942	-
Trade payables	16	90,396	107,236
Deferred income	17	688,409	604,367
Other liabilities	18	48,888	42,203
		<u>1,193,635</u>	<u>753,806</u>
Total current liabilities			
		<u>1,193,635</u>	<u>753,806</u>
Total liabilities		<u>1,193,635</u>	<u>1,120,196</u>
Total equity and liabilities		<u>1,018,205</u>	<u>886,146</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


D Moore
Director

Date: 01/09/17

STATEMENT OF CASH FLOWS

	2017 £	2016 £
Cash flows from operating activities		
Net profit/(loss) before tax	58,620	(26,530)
<i>Adjustments for:</i>		
Exchange movement on borrowings	20,541	63,744
Profit on disposal of non-current assets	-	836
Depreciation/amortisation on non-current assets	24,497	41,426
	<u>103,659</u>	<u>79,476</u>
Decrease/(increase) in trade and other receivables	89,994	(50,447)
(Decrease)/increase in trade and other payables	73,887	(104,160)
Net cash used in operating activities	<u>267,540</u>	<u>(75,131)</u>
Cash flows from investing activities:		
Purchase of plant and equipment	(6,549)	(7,926)
Net cash used in investing activities	<u>(6,549)</u>	<u>(7,926)</u>
Cash flows from financing activities:		
Proceeds from loans from group undertakings		302,646
(Decrease)/increase in borrowings	(20,990)	
Net cash generated from financing activities	<u>(20,990)</u>	<u>302,646</u>
Net increase in cash and cash equivalents	<u>240,001</u>	<u>219,589</u>
Cash and cash equivalents at beginning of the year	<u>340,707</u>	<u>121,118</u>
Cash and cash equivalents at end of the year	<u>580,708</u>	<u>340,707</u>

THE INSTITUTE OF FINANCIAL ACCOUNTANTS (REGISTERED NUMBER: 09350923)

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	Total £
Balance at 1 July 2016	(234,050)
Profit for the year	58,620
Balance at 30 June 2017	<u>(175,430)</u>

For the year ended 30 June 2016

	Total £
Balance at 1 July 2015	(207,520)
Loss for the year	(26,530)
Balance at 30 June 2016	<u>(234,050)</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

1. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE WITH IFRS'S AND BASIS OF PREPARATION

The Institute of Financial Accountants is a company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Directors report on page 2.

The company is controlled by The Institute of Public Accountants which is headquartered in Melbourne, Australia. The company is limited by guarantee without share capital.

The company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the company are set out in note 2.

Consistent with the year period Statement of Financial Position is in deficit. Contrary to the prior year the company has made a profit in the current year. The directors have reviewed forecasts for the IFA and have also received confirmation of ongoing support from its parent undertaking The Institute of Public Accountants. On this basis the directors do not believe there is a material uncertainty and hence are satisfied that the financial statements should be prepared on a going concern basis.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently in these financial statements.

Revenue recognition

The revenue shown in the income and expenditure account represents the amounts invoiced during the year, exclusive of Value Added Tax, as adjusted for deferred income.

Property, plant and equipment

All plant and equipment are initially recorded at cost. They are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight line method, on the following basis:

Plant and machinery - 20% to 33% per annum

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried forward at cost less accumulated amortisation and accumulated impairment losses.

Learning materials are written off over their estimated life of 3 years commencing in the month in which they are made available for sale. Other intangible assets are written off over their estimated life of 3 years commencing in the year after the costs were incurred.

Other intangibles arising on an acquisition of a business are carried at cost as established at the date of acquisition of the business less accumulated amortisation and any impairment losses. The directors have considered the life cycle of a typical member and believe an amortisation period of 20 years to be appropriate.

Operating Leases

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Retirement benefit costs

The company operates a defined contribution scheme for the benefit of its employees. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered services entitling them to contributions.

Financial instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Foreign currencies

The financial statements are presented in pounds sterling, which is the Company's functional and presentational currency. Transactions denominated in foreign currencies are translated into sterling at the actual rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at rates ruling at the balance sheet date. Exchange differences are included in the statement of comprehensive income within administrative expenses.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgments in applying accounting policies

Revenue recognition

The key judgment made by management in respect of revenue is the point at which that revenue should be recognised. Management consider that revenue is to be recognised in line with the membership year, all income received in respect of the subsequent subscription year is deferred.

Key sources of estimation uncertainty

Useful lives of intangible assets

The company establishes a reliable estimate of the useful life of intangible assets acquired on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired assets, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Useful lives of property, plant and equipment

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax submissions. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Operating lease commitments

The Company has entered into commercial lease contracts and as a lessee it obtains use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

4. REVENUE

	2017 £	2016 £
Continuing operations		
Revenue from rendering of services	1,543,020	1,392,883
Total revenue for the year	1,543,020	1,392,883

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

5. OPERATING PROFIT

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of property, plant and equipment	10,098	15,741
Amortisation of intangible assets	14,399	25,685
Net loss on foreign currency translation	20,542	63,744

6. EMPLOYEES AND DIRECTORS

Analysis of payroll costs by category:

	2017 £	2016 £
Wages and salaries	490,303	512,187
Social security costs	51,945	53,044
Other pension costs	13,984	6,783
Total	556,232	572,014

Average monthly number of persons:
By Activity

	2017 Number	2016 Number
Marketing	4	3
Corporate	1	1
Education	1	1
Membership	3	3
Disciplinary	1	1
Finance	2	2
Total	12	11

Directors' emoluments and key management compensation

	2017 £	2016 £
Aggregate emoluments	121,283	112,800

No pension contributions are accruing for Directors' and key management personnel.

7. PENSIONS

The Company contributes to a money purchase pension scheme for employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

	2017 £	2016 £
Expense charged in the year	13,984	6,783
Balance outstanding at the year end	2,776	365

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

8. AUDITORS' REMUNERATION

The profit for the year is stated after charging auditors' remuneration of £6,000 (2016: £7,000) and £3,500 (2016: £1,000) for non-audit services.

9. TAXATION

Analysis of taxation / charge in the year

	2017 £	2016 £
Analysis of charge / (credit) in the year:		
United Kingdom corporation tax	-	-
Adjustments in respect of previous periods	-	-
Total current tax	-	-
Deferred tax	-	-
Total tax in the statement of comprehensive income	-	-

The tax for the year is less than (2016: the same as) the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below:

Tax reconciliation

	2017 £	2016 £
Profit / (Loss) before income tax	58,620	(26,530)
Profit / (Loss) before income tax multiplied by the standard rate of corporation tax in the UK of 20% (2016: 20%)	11,724	(5,306)
Tax effect of:		
Expenses not deductible for tax purposes	-	5,306
Brought forward loss relief	(11,724)	-
Tax charge/(credit)	-	-

Factors that may affect future tax charges

There are no significant factors that may affect future tax charges

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

10. PLANT AND EQUIPMENT

	Office equipment & other £
Cost	
At 1 July 2016	37,890
Additions	6,549
Disposals	(1,411)
At 30 June 2017	43,028
Depreciation	
At 1 July 2016	(20,536)
Charge for the year	(10,098)
Disposals	1,411
At 30 June 2017	(29,223)
Net book value:	
At 1 July 2016	17,354
At 30 June 2017	13,805

11. INTANGIBLE ASSETS

	Goodwill £	Other intangible assets £	Total £
Cost			
At 1 July 2016 and 30 June 2017	194,106	46,515	240,621
Amortisation			
At 1 July 2016	(9,705)	(24,897)	(34,602)
Charge for the year		(14,399)	(14,399)
At 30 June 2017	(9,705)	(39,296)	(49,001)
Carrying value:			
At 1 July 2016	184,401	21,618	206,019
At 30 June 2017	184,401	7,219	191,620

Other Intangible assets reflect the development costs for the new education online learning materials and obtaining Ofqual/QCF accreditation.

Goodwill reflects the costs of acquiring the Federation of Tax Advisers and the former Institute of Financial Accountants.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

12. TRADE RECEIVABLES

	2017 £	2016 £
Trade receivables	<u>24,304</u>	<u>50,328</u>

Trade receivables at 30 June 2017 include amounts billed in advance for membership subscriptions, practising certificates and anti-money laundering services due for renewal from 1st January each year. The company's exposure to credit risk is disclosed in note 21.

13. OTHER ASSETS

	2017 £	2016 £
Prepayments	116,885	141,214
Other receivables	<u>90,883</u>	<u>130,524</u>
	<u>207,768</u>	<u>271,738</u>

Other receivables include loans to staff, accrued income, rental deposits and VAT refundable.

14. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amount:

Year ended 30 June 2017

	30.06.17 £	1.7.16 £
Cash and cash equivalents	<u>580,708</u>	<u>340,707</u>

Year ended 30 June 2016

	30.06.16 £	1.7.15 £
Cash and cash equivalents	<u>340,707</u>	<u>121,118</u>

15. OTHER LOANS

	2017 £	2016 £
Amounts falling due within one year	365,942	
Interest bearing borrowings (unsecured)		
Amounts falling due in over one year		
Interest bearing borrowings (unsecured)		<u>366,390</u>

Interest was payable to the parent company totalling £13,040 (2016: £10,906).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

16. TRADE PAYABLES

	2017 £	2016 £
Trade payables	90,396	107,326

17. DEFERRED INCOME

	2017 £	2016 £
Deferred income	688,409	604,367

The membership subscription year commences on 1 January of each year when the annual subscription is due for the year ending 31 December. Subscriptions are accounted for over the period covered by the subscription and subscriptions received during the period for future membership subscription years are carried forward as deferred income.

18. OTHER LIABILITIES

	2017 £	2016 £
Other payables	2,283	6,408
Amounts due to group undertakings	7,625	
Accruals	27,557	25,574
Other taxation and social security	11,423	10,521
Total	48,888	42,203

19. OPERATING LEASE COMMITMENTS

Lease payments represent amounts payable by the company for its offices.

The future aggregate minimum lease payments under non-cancellable operating leases at the balance sheet date were as follows:

	2017 £	2016 £
No later than one year	114,190	137,028
Between one and five years		114,190
Total	114,190	251,218

20. FINANCIAL INSTRUMENTS

Capital management

The company manages its capital to ensure that it can continue as a going concern while providing services to its members.

Categories of financial instruments

The company only enters into basic financial instruments. The company has the following financial instruments; trade receivables (see note 12) and other receivables (see note 13); trade payables (see note 16), other payables, accruals (see note 18) and an interest bearing loan from group (see note 15).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

20. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management

Financial risk is overseen by the non-executive directors. The company does not enter into or trade financial instruments for speculative purposes.

Interest rate risk management

The company monitors its risk on its floating interest rate borrowings and does not believe future movements will have significant impact on the company's cash flow.

Credit risk policy

The company adopted a policy of only dealing with credit-worthy counter-parties often receiving cash before providing goods and services.

21. RELATED PARTY TRANSACTIONS

Disclosures required in respect of IAS 24 regarding remuneration of key management personnel are covered by the disclosure of directors' remuneration included within note 6.

During the year the company paid £16,875 (2016: £nil) on behalf of their ultimate holding company The Institute of Public Accountants. The amount was transferred to the loan account in the year. At the year end, an amount of £7,625 (2016: £nil) was owed to the company's ultimate holding company The Institute of Public Accountants. This amount is included in amounts owed to group undertakings.

At the year end, an amount of £365,942 (2016: £366,390) was owed to the company's ultimate holding company The Institute of Public Accountants. The balance is in relation to a loan, the terms and conditions of the loan are that the lender will not seek payment until 31 December 2017 and interest is charged to the borrower on a monthly basis.

At the year end, an amount of £5,536 (2016: £5,453) was owed to the company by John Edwards (CEO). This amount is included within the Other receivables balance.

The directors regard all the transactions disclosed above as being in the normal course of business and the transactions were enacted at arms' length.

22. SUBSIDIARY UNDERTAKINGS

The entities listed below are subsidiary undertakings of The Institute of Financial Accountants Limited:

Name	Status	Country of Incorporation
Institute of Financial Accountants in Hong Kong Limited	Dormant	Hong Kong
Institute of Financial Accountants in China Limited	Dormant	Hong Kong
Association of Financial Managers Limited	Dormant	United Kingdom
Federation of Tax Advisers Limited	Dormant	United Kingdom
IFA Institute of Business Management Limited	Dormant	United Kingdom
IFA Institute of Business Managers Limited	Dormant	United Kingdom
IFA Institute of Financial Management Limited	Dormant	United Kingdom
IFA Institute of Financial Managers Limited	Dormant	United Kingdom
IFA Institute of Public Accountants Limited	Dormant	United Kingdom
The Association of Administrative Accountants Limited	Dormant	United Kingdom
The Association of Book-keepers	Dormant	United Kingdom

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22. SUBSIDIARY UNDERTAKINGS (CONTINUED)

The proportion of each class of shares held by The Institute of Financial Accountants Limited in the entities listed below is as follows:

Name	Class	Proportions held
Institute of Financial Accountants in Hong Kong Limited	Limited by guarantee	Not applicable
Institute of Financial Accountants in China Limited	Ordinary	100%
Association of Financial Managers Limited	Ordinary	100%
Federation of Tax Advisers Limited	Ordinary	100%
IFA Institute of Business Management Limited	Ordinary	100%
IFA Institute of Business Managers Limited	Ordinary	100%
IFA Institute of Financial Management Limited	Ordinary	100%
IFA Institute of Financial Managers Limited	Ordinary	100%
IFA Institute of Public Accountants Limited	Ordinary	100%
The Association of Administrative Accountants Limited	Limited by guarantee	Not applicable
The Association of Book-keepers	Limited by guarantee	Not applicable

As permitted under s398 of the Companies Act 2006 the directors have elected not to produce group accounts.

23. ULTIMATE HOLDING COMPANY

The ultimate holding company is The Institute of Public Accountants Limited which is a company limited by guarantee, incorporated under the Australian Corporations Act 2001. The Institute of Public Accountants Limited is a professional membership organisation whose constitution requires each member of the institute to contribute fixed amount in the event of the company being wound up.

The company's financial statements will be consolidated in to The Institute of Public Accountants Limited financial statements. Copies of The Institute of Public Accountants Limited financial statements are available from the following website www.publicaccountants.org.au.