

The Chartered Institute of
Management Accountants
Financial Statements 2017



Powering trust,
opportunity and
prosperity



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Message from the President

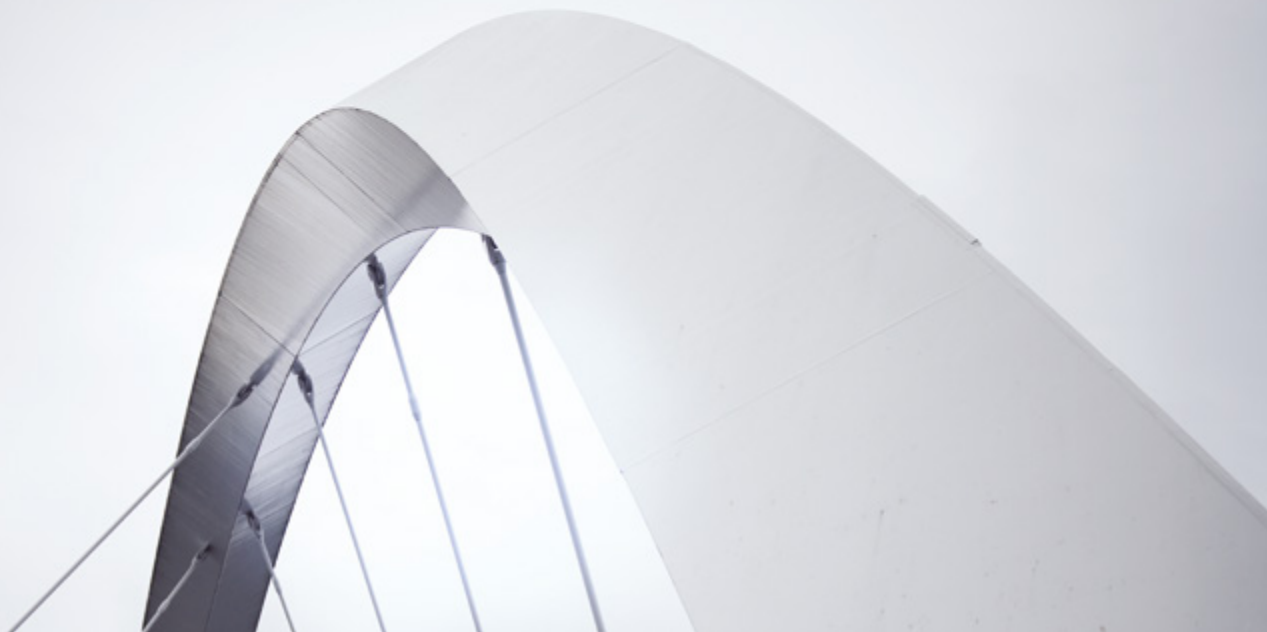
2017 was a significant year for CIMA, with the launch of the Association of International Certified Professional Accountants (the Association) on 1 January. With that came the commencement of a number of key strategic initiatives for management accounting which are set out in more detail in the Association's integrated report, adopted by Council as a significant element of its own reporting on 2017.

The pursuit of our Royal Charter objects remains at the forefront of activities within CIMA and the Association, with protections in place to assure that, as well as commitments made by the Association in respect of the same. Regular reports are made to CIMA Council along with a formal annual feedback report being made by the Association CEO to attest to delivery of strategy and member value.

While both founding bodies, CIMA and AICPA, continue to exist, they are operating as one organisation through the Association for the delivery of member and student services and support and both Councils contribute to the Association's strategic plan development throughout the year.

During the year there were 5,417 new CIMA members and 33,373 new CIMA students taking the total membership to 109,415 and total student population to 127,241. The Association supports and delivers value to members of CIMA and AICPA, and members of CIMA and AICPA are also members of the Association. The combined resources and expertise of the teams drawn from both CIMA and the AICPA to form new centres of excellence within the Association has meant that member and student needs can be responded to more efficiently right across the globe, and future needs anticipated more effectively.

As well as services and support delivered via the Association, CIMA has continued to carry out its global governance and regulatory responsibilities in relation to standard setting, licensing, monitoring, and, compliance. During the course of the year we supported the launch of a new CGMA Leadership Academy for aspirational new members with the first programme running in April 2018; conducted research on a number of topics including the future of finance and business models; and established a new Membership Committee to address policy whilst maintaining the independence of the membership assessment process.



The UK Corporate Governance Code

CIMA is committed to reaching and maintaining the highest standards of corporate governance and in so doing supports the UK Corporate Governance Code, published by the Financial Reporting Council. The Code is principally for listed companies, and, as such, CIMA is not obliged or in some respects able to follow it completely. However, the Council is committed to adopting best practice governance processes and therefore chooses to apply the Code to CIMA's operations as far as it is applicable and appropriate for a professional body incorporated by Royal Charter. This report aims to evidence how the Council has adopted and supported the Code's principles in the interests of best practice.

The Council

The governance, overall oversight and control of the Institute are the responsibility of the Council ('Council'), which comprises up to 58 members. Council is led by a team of Honorary Officers comprising the President, the Deputy President, the Vice President and the Immediate Past President. The other members include up to 38 elected Fellows; up to 12 co-opted members; and 4 other members as Council think fit.

The Council is responsible for setting standards and regulation of members in line with the objects of CIMA's Royal Charter, and for representing the interests of, and reporting to, the general membership. It approves any changes to the regulations, and is the ultimate authority within the organisation. All members of the Council are equally responsible for ensuring that the best interests of the general membership are considered in the decision-making process.

Upon appointment, all new members of the Council are provided with an induction designed to provide closer understanding of CIMA's governance structure, role, responsibilities and the way in which the Council meetings are conducted. In addition, all members of the Council are given the opportunity to attend a governance workshop and periodic sessions on chairing effective meetings. Members of the Council may not be remunerated for their work for CIMA, except as permitted by the Royal Charter, Byelaws and Regulations. A register of Council members' interests is maintained, which details any personal or business interests which could give rise to a conflict of interest between CIMA and other bodies.

As President, I was the honorary leader of CIMA for one year, during which time I chaired the Council and represented the interests of CIMA externally, including to the Government, the public, the accounting profession, regulatory bodies, and the media. The President, together with the team of other Honorary Officers, provides direction to the Council in its deliberations and is responsible for ensuring the democratic process of the Council and the management of the meetings. The Council met four times in 2017. At each of its meetings it has focused on matters of strategic importance to management accounting as well as covering normal business items.

As a result of restructuring the frequency and duration of its meetings, Council is now able to devote much more of its meeting time to debating matters of strategic importance to the profession, engaging with external experts on change drivers such as artificial intelligence and blockchain technology, and looking ahead at how best the challenges of the future might be met. It has also asked itself the question as to whether it is fit for purpose going forward and, to that end, has commenced a review of what a future Council might need to look like in order to discharge its responsibilities to best effect.

Under the Charter, the chief executive is the most senior staff member of CIMA by whatever title they may be known. The role of the chief executive was fulfilled by the Secretary General. She is the prime source of operational and governance information and advice for the Council and committee members and, with the assistance of the Corporate Affairs department, is responsible for ensuring that adequate and timely information is available to allow them to prepare for each meeting.

The Council delegates activities within CIMA's governance in line with an annually updated scheme of delegations to the appropriate committees and the Secretary General. The Council has responsibility for establishing, regulating and dissolving committees, setting their terms of reference and for reviewing their performance. The Council also retains the authority to establish, regulate and/or dissolve Areas and Branches of the Institute. Following the formation of the Association, the Council has also authorised the Association Board to carry out certain strategic, service and support activities. The Council however retains responsibility for ensuring that CIMA's Royal Charter objects and responsibilities continue to be upheld, and for ensuring the Association delivers on its assurances and protections.

In order to ensure the Council is meeting its obligations in respect of ensuring the best interests of members are considered, all members of CIMA are entitled to attend the AGM, to vote in person or by proxy on matters required to be referred to the membership, and are invited to complete regular satisfaction surveys to ensure their opinions are heard.

Reporting responsibilities of the Council

The Council is responsible for the control and management of the funds and financial activities of the Institute. The Byelaws of CIMA require the Council to ensure that financial statements are prepared for each financial year which give a true and fair view of the state of affairs and of its surplus or deficit for that period.

In preparing those financial statements, the Council, in accordance with best practice, is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgements and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ▶ ensure that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that CIMA will continue in business; and
- ▶ provide the external auditor with all information required in order for them to complete the audit.

Proper books of account are maintained by the direction of the Council, as required by the Byelaws of CIMA. These disclose with reasonable accuracy at any time the financial position of CIMA. The financial statements are prepared on a going concern basis as the Council is satisfied that there is a reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future.

The Council is not aware of any relevant information that has not been disclosed to the external auditor. The Council is responsible for ensuring the maintenance and integrity of the financial information included on CIMA's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Appointments Committee

The Appointments Committee meets a minimum of four times a year and as and when necessary. The Committee met nine times during the year (see the back of this report for a list of members during the year).

It is responsible for overseeing the selection and recruitment of members/individuals to serve on CIMA's committees. It appoints the Chairmen, Vice Chairmen and members of the Conduct

Committees in accordance with the Laws of the Institute. Its decisions and nominations are made against the background of the Royal Charter, Byelaws and Regulations, and the legal and procedural framework which governs the functions of this Committee. It has delegated authority and responsibility for coordinating the arrangements for all the elections, including elections to the Council, selection of the next Vice Presidential candidate, policy committee chairmen, and 'without portfolio' members of the Appointments Committee. It also has delegated authority from the Council to appoint chairmen and members to CIMA's delegated committees, and members to represent the Institute on other non-Institute bodies or organisations. As a part of its delegated responsibility, it also approves nominations for the Institute medals and other awards.

The Appointments Committee ensures that any payments to Council members for services to CIMA are in accordance with the Byelaws.

Professional Standards Committee

CIMA's work in professional standards included the review of CPD monitoring and compliance which again is looking ahead to determine an approach which is both robust in terms of compliance, and enabling by way of supporting members- with the help of the Association's centres of excellence- in maintaining relevance and competence as their careers progress. The significant changes occurring within the UK Anti-Money Laundering supervisory landscape, and in particular the creation of the new Office for Professional Body Anti-Money Laundering Supervision (OPBAS) prompted much debate particularly in relation to the licensing and monitoring work that CIMA carries out in relation to its members in practice. New onsite visits were introduced and related AML guidance and training reviewed.

Meetings were held with national and international regulators to discuss issues of mutual interest in relation to regulatory oversight, and responses made to consultations and exposure drafts, including on matters relating to ethical standards and codes. In that area, work was carried out on principles for responsible investment and reputation and on ethical recruitment, along with the regular publication of CIMA's newsletter Ethical Lens, a social media theme throughout June 2017 on countering corruption and fraud and that month's edition of FM including a series of ethics related articles.

The Institute's work to uphold the standards and conduct of its members and students remains at the core of its public interest obligations. It is assisted in this by three independent conduct committees which together met on 54 occasions during the course of the year, hearing 144 cases and five appeals.

Membership Committee

CIMA formed the Membership Committee in August 2017 to oversee the policies, criteria and standards governing membership of CIMA. The Committee has overseen the implementation of the new membership application tool for Associate membership. This has included a large programme of work involving development of the face to face assessment approach, developing proposals for training of assessors and beginning the development of quality assurance processes.

The Committee approved changes to the academic route and the chief finance officers programme for CIMA membership to enable better alignment of all membership application routes and processes. A Working Group has been set up to review the criteria for applications for Fellowship and it will report its findings to the Membership Committee.

Charitable trusts and other funds

The Benevolent Fund is a registered charity, created to provide assistance to members and ex-members, and their families, in times of hardship. The fund is administered by a committee of three members of the Council and five long-standing members of CIMA (see the back of this report for a list of members during the year), on behalf of CIMA, the sole trustee.

The Anthony Howitt Lecture Trust is also a registered charity created to advance education in accounting and related subjects. This takes the form of a lecture, normally biennial, by eminent speakers on matters of interest to accountants and other leading members of the business world. The trust receives income from funds originally gifted from the founder, Anthony Howitt. The trustees are all current office holders of CIMA.

The General Charitable Trust is a registered charity and was formed for the advancement of education in the subjects of accounting, management accounting, electronic data processing, costing, auditing, taxation, applied economics, finance and other related subjects of an educational nature. The trust is an independent body with an arm's length relationship with CIMA.

Social responsibility

CIMA takes its role in promoting responsible business practice seriously. Members and students have a duty to observe the highest standards of conduct and integrity and to uphold the good standing and reputation of the profession. All students are issued with the CIMA Code of Ethics on commencement of their training, are examined in ethical decision-making and must have regard to the Code in their work. The Code is based on international standards and defines the core principles which an Associate or Fellow of the Institute or a CGMA must uphold: integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Practical guidance on identifying and resolving ethical conflicts is provided through dedicated resources and helplines. CIMA is also committed to promoting to members their wider duty of care to the public interest, beyond their employer or client, as set out in the CIMA Code of Ethics.

As an Investor in People, CIMA also strongly recognises the importance of its own employees, and the link between satisfied staff and satisfied stakeholders. To this end, it has implemented extensive health and safety, employee satisfaction, learning and development, and performance appraisal programmes. Vacancies are filled from within the organisation wherever possible.



David Stanford FCMA, CGMA
President

6 April 2018

Financial performance review

Summary

This was an exciting year for our students, our members and us. As a result of the member vote in 2016 that supported the evolution of CIMA's joint venture with the American Institute of Certified Public Accountants (AICPA), a significant amount of time and resources were invested in 2017 to create the Association of International Certified Professional Accountants (the Association) and integrate strategy, management and operations. The Association's vision is to be the most influential body of professional accountants and its mission is to drive a dynamic accounting profession worldwide.

Subsequent to the launch of the Association, 2017 marked an exciting year where CIMA, in partnership with the Association:

- ▶ Continued work defining the **Future of Finance**, including substantive research that will support the development of management accounting competencies and release of a new CGMA syllabus in 2018
- ▶ Partnered with the world's leading blockchain alliance, which will help keep the profession out in front of this emerging technology
- ▶ Introduced new resources like **CGMA Advantage**, a daily briefing on issues of importance to finance professionals, and a new responsive website for the highly recognised **FM Magazine** to help management accountants stay on top of their game
- ▶ Consulted with the global business community to gain feedback on the **CGMA Business Model Framework**, which is designed to guide leadership discussion and decision-making on crucial value creating aspects of their organisations. In 2018, the findings will help launch a new framework, along with business model-focused tools and resources
- ▶ Expanded access to hundreds of competency-enhancing resources through the new **CGMA Store**
- ▶ Opened a new office in Indonesia to better attract and support CGMA candidates in one of the fastest growing emerging markets.

The Association supports and delivers value to members of CIMA and AICPA, and members of CIMA and AICPA are also members of the Association. An annual report on the Association's commitments to support both management and public accounting is provided to the Councils of CIMA and AICPA.

Bringing together two historic professional bodies, delivering on our "and" strategy for members, creating a single culture, unifying an organisational vision and then executing on that vision are no easy feats – but that is exactly what started in 2017 and will continue in 2018.

This past year CIMA and the Association set out to accomplish four key strategic priorities:

- 1 Promote Competency Globally
- 2 Transforming our organisation
- 3 Evolving Auditing in the Future
- 4 Opening the U.S. market for CGMA

Details about our performance in these areas are included in the "Results" section below.

In addition, CIMA and AICPA began to transfer assets, liabilities and intellectual property (ALIP) to the Association. It is expected that most ALIP will transfer to the Association over the next few years; however, pension scheme liabilities of both founding bodies will not transfer to the Association. CIMA's member subscription income is used to support its members in management accounting, fulfil the CIMA pension scheme obligation and support the growth of the Association.

While CIMA continues to have an independent audit, its operating results will be combined with the AICPA's as part of the Association's first integrated annual report, which will be approved by the Association's Board of Directors and be made available to all CIMA and AICPA members. CIMA's audit report should be read in conjunction with the Association's integrated annual report, which includes details of, for example, internal audit, risk management and an executive remuneration statement.

Results

From a performance perspective related to management accounting and our four priorities, these are a few highlights:

1 Promote Competency Globally

Working through the Association Board, CIMA focused on making sure current and future professionals have the competencies employers increasingly demand. We also enhanced learning through the launch of the **CGMA Store** and the new **Human Intelligence** learning series generating more than 700,000 views around the world.

2 Transforming our organisation

In August 2016 through mid-2017, CIMA focused on integrating strategy, operations and management with the AICPA in order to deliver on our promise to members. As 2017 progressed, and the Association was formed, a broad business transformation initiative began to remain relevant to members, customers and the profession and put our resources in the right place to achieve our strategic priorities. The profession and our members are undergoing fundamental change and utilising technology and augmented intelligence in ways previously unimaginable. The transformation efforts are focused on three primary areas: 1) re-engineering the member and customer experience, 2) evolving our operating and business model, and 3) realigning our cost base to align resources to those services most valued to the customers and members.

3 Evolving Auditing in the Future

The Association actively responded to marketplace trends and in early 2017 imagined a project to advance Auditing in the Future. The Association Board was engaged in multiple working sessions to approve a significant effort to position ourselves at the heart of a critical issue for the profession. We established a strategic partnership with CaseWare and began the process of funding the initiative. The evolution of the audit is critically important and linked to management accounting; audits rely on the skills and competencies of management accountants. This further emphasises the importance of the **CGMA Competency Framework** to management accountants and their employers.

4 Opening the U.S. market for CGMA

The **U.S. market for CGMA was opened** in October by launching the CGMA registration system. Over 50 candidates have registered and started a new **digital learning experience** utilising innovative, adaptive learning technology to give students/candidates the competencies desired by top organisations. These are the Pioneers who have agreed to provide feedback and testimonials. Sponsoring the pioneers are many prominent companies, including Bose, Covestro, Jabil, Koch Industries, Prudential, Qlick, Siemens, and Volvo.

From a financial performance perspective, CIMA, excluding charitable trusts, generated an operating deficit of £3.9m in 2017 as compared to an operating deficit of £4.4m in 2016. CIMA planned a deficit in 2017 of £3.0m to support investment in key strategic initiatives to support and grow management accounting and the Association. The operating deficit was larger than expected because of fewer exams delivered in certain markets and slightly higher expenses.

Pension scheme

CIMA operates a defined benefit pension scheme, which has been closed to future accruals since 2012. The deficit decreased by £4.1m, due to the change in mortality assumptions, which project a lower life expectancy for scheme participants, and strong investment performance. The current deficit-recovery plan is in place to 2023, although this was set against a deficit of £11.4m in 2015. The next scheduled valuation and formal reassessment of the deficit-recovery plan is April 2018. Both CIMA and the independent pension scheme trustees work to manage liability exposure and to optimise the risk and return balance for asset management.

Conclusion

As noted earlier, CIMA continues to have a stand-alone audit, and its operating results will be included in the combined, audited financial statements of the Association. The combined report will be made available to all CIMA and AICPA members. The combined resources of the Association will provide a stronger platform to fulfill the Association's vision and mission. In 2018, the Association budgeted a profit of £3.7m to fulfil its commitment to replenish reserves spent down over the last several years by both founding bodies.



Scott H. Spiegel CGMA, CPA, CITP
Chief Financial Officer

6 April 2018

The Audit and Finance Committee

Committee members

Chris Schmidt chairs the Audit and Finance Committee (the 'Committee') of the Association. Mr. Schmidt serves as Chairman and CEO of Moss Adams LLP. The Council therefore considers that he has relevant financial experience. The remaining Committee members who have served during the period are Anita Baker (appointed June 2017), Paul Curth (until June 2017), Eric Hansen (until June 2017), Rick Niswander (appointed June 2017), Amal Ratnayake (appointed June 2017), Steve Swientozielskyj, Louise Taylor (until June 2017), each has extensive business experience.

The role of the committee

The Audit and Finance Committee of the Association exists to review, and challenge where necessary, the actions and underlying opinions and judgements of management and employees, in relation to the audited annual financial statements of CIMA and the audited annual financial statements of the Association (and interim statements and reports where appropriate) together with its various regional boards, charities, trusts, pension and benevolent funds, and the draft annual accounts of CIMA and AICPA subsidiaries. All such considerations are made before recommending such reports and statements where applicable to the Council for endorsement and approval. Throughout the year, the Committee meets separately with key staff of the Association's management team and the independent external auditors.

In addition, the Committee also provides financial oversight to the Association's budget and forecasting process.

The Chairman attends the Council meeting at which the annual accounts of CIMA are approved to give him the opportunity to comment on any matters pertaining to the annual accounts, the underlying judgements and other matters of material relevance that have been discussed at the Committee during the preceding year.

During the year the following items were reviewed:

- ▶ Terms of Reference of the Committee and the Internal Audit, Risk & Compliance (IARC) function;
- ▶ Annual IARC Project Programme;
- ▶ Financial statements and accounts;
- ▶ All internal and external audit reports;
- ▶ Enterprise risk management framework; and
- ▶ Whistleblowing arrangements and compliance.

Additionally, the Committee takes an active interest in audit committee best practice and discusses key industry priorities at its meetings. Members are encouraged to attend appropriate development opportunities.

External audit

Saffery Champness LLP was appointed by the membership at the AGM as CIMA's external auditor to fill a casual vacancy following the resignation of the previous auditors.

The Committee ensures that the external auditor remains independent of CIMA, AICPA and the Association in all material aspects and that they have adequate resources available to them to enable the delivery of their audit objective to the membership. The Committee reviews the overall performance of the auditors annually and is responsible for making formal recommendations each year to the Council on the position of the external auditors.

The Committee maintains a policy regarding acceptable non-audit work, which incorporates authority levels for approving such work. The auditors are precluded from engaging in non-audit services that would compromise their independence and objectivity or violate any laws or regulations affecting their appointment as auditors.

£96k was incurred on non-audit services during the year. This was primarily in tax advisory services.

Internal audit

The Association has an Internal Audit, Risk & Compliance function (IARC) who participate in each Committee meeting. The Senior Director of IARC reports functionally to the Committee, and administratively to the CFO, with a dotted line to the CEO of the Association.

The internal audit programme is based upon an annual risk assessment, that takes in to consideration the Association's strategy, Enterprise Risk Management programme, in combination with discussion with senior management, the external auditors and the Committee. The 2017 programme covered:

- ▶ Internal controls over financial reporting;
- ▶ IT general controls & user access;
- ▶ Association integration activities;
- ▶ General Data Protection Regulation (GDPR) readiness.

The Committee has received reports on the work carried out by internal audit and the results of their investigations including management responses and timelines. If any such recommendations, in the opinion of the Committee, are unreasonably rejected or delayed by management then these would be reported to the Council. No such report was necessary in 2017.



Chris Schmidt, CPA
Chairman of the Audit and Finance Committee
6 April 2018

Independent Auditor's Report

Opinion

We have audited the financial statements of The Chartered Institute of Management Accountants (CIMA) (the 'parent entity') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in funds, consolidated cash flow statement 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- ▶ the financial statements give a true and fair view of the state of affairs of the group as at 31 December 2017 and of the group's total comprehensive income/(expense) for the year then ended; and
- ▶ the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union.

This report is made solely to CIMA's members, as a body, for and only for management's purposes to assist the Council to discharge its stewardship obligations and fiduciary responsibilities in respect of CIMA under the terms of the Royal Charter and Byelaws in accordance with our terms of engagement letter dated 15 May 2017 which was approved by the members on 2 June 2017 and for no other purpose. Our audit work has been undertaken so that we might state to CIMA'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 CIMA and CIMA's members as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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:

- ▶ Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ▶ Council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group'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

Council is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Financial performance review.

Responsibilities of Council


As explained more fully in the Reporting responsibilities of the Council set out on page 5, the Council is 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 Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Council is responsible for assessing the group'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 Council either intend to liquidate CIMA or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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



Saffery Champness LLP

Chartered Accountants
Statutory Auditors
Peterborough

6 April 2018

Consolidated statement of comprehensive income

For the year ended 31 December 2017

	Note	2017		2016	
		£'000	£'000	Restated £'000	Restated £'000
Income	2		58,892		56,724
Becoming a member		(24,215)		(21,738)	
Delivering member value		(15,407)		(13,279)	
Promote competency globally		(9,057)		(8,366)	
Building influence and reputation		(14,065)		(17,709)	
Expenditure			(62,744)		(61,092)
Operating deficit before charitable trusts and other funds	3		(3,852)		(4,368)
(Expense) / income from charitable trusts and other funds			(38)		65
Total operating deficit			(3,890)		(4,303)
Taxation Benefit	4.1		–		61
Deficit for the year			(3,890)		(4,242)
Other comprehensive income					
Items which will not be reclassified to net income					
Actuarial gain/(loss) on pension scheme	12.2		3,530		(8,080)
Items which may be reclassified to net income					
Increase in foreign currency translation reserve			38		193
Realised loss on investment disposal			(482)		(311)
Unrealised gain on investment revaluation			386		762
Total other comprehensive income/(expense)			3,472		(7,436)
Total comprehensive income			(418)		(11,678)

Results for the year are all derived from continuing operations.

The notes on pages 16 to 39 form an integral part of these financial statements.

Consolidated balance sheet

As at 31 December 2017

	Note	2017	2016
		£'000	£'000
Non-current assets			
Property, plant and equipment	5	2,018	5,726
Intangible assets	6	6,327	7,103
Interest in other investments	7	5,462	5,621
		13,807	18,450
Current assets			
Trade and other receivables	8.1	5,690	4,664
Cash and cash equivalents	8.2	8,886	14,096
		14,576	18,760
Total assets		28,383	37,210
Funds			
Accumulated funds		(7,751)	(7,429)
Fair value reserves		2,253	2,524
Foreign currency translation reserve		(2,597)	(2,635)
Charitable trusts and other funds		2,903	2,766
		(5,192)	(4,774)
Current liabilities			
Trade and other payables	9	5,352	9,119
Provisions	10	245	416
Subscriptions and fees received in advance	11	13,133	13,029
		18,730	22,564
Non-current liabilities			
Provisions	10	–	446
Pension scheme liability	12.1	14,770	18,885
Other retirement obligations	12.8	75	89
		14,845	19,420
Total funds and liabilities		28,383	37,210

The notes on pages 16 to 39 form an integral part of these financial statements.

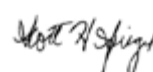
The financial statements on pages 12 to 39 were approved by the Council as at 6 April 2018, and signed on its behalf by:



David Stanford FCMA, CGMA
President



Steve Swientozielskyj FCMA, CGMA
Deputy President



Scott Spiegel CGMA, CPA
Chief Financial Officer

Consolidated cash flow statement

For the year ended 31 December 2017

		2017	2016
	Note	£'000	£'000
Cash flows from operating activities			
Member and student income		50,671	48,451
Other income		4,784	6,368
Payments to suppliers		(36,539)	(29,840)
Payments to Association UK		(14,773)	–
Payments to employees		(6,923)	(17,344)
Payments relating to taxes		(154)	(1,383)
Payments relating to post retirement benefits		(2,039)	(4,186)
Payments relating to charitable activities		(176)	(233)
Net cash (used in) / provided by operating activities		(5,149)	1,833
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(81)	(191)
Purchase of intangible assets	6	(1,741)	(3,636)
Proceeds from disposal of intangible assets	6	1,086	–
Purchase of investments		–	(94)
Proceeds from disposals of investments		550	2,895
Investment income		94	320
Net cash (used in) investing activities		(92)	(706)
Net (decrease) / increase in cash and cash equivalents		(5,241)	1,127
Cash and cash equivalents at 1 January		14,096	12,815
Effect of foreign exchange rates			
Change in foreign currency translation reserve		38	193
Net exchange differences on property, plant and equipment		(7)	(39)
Cash and cash equivalents at 31 December	8.2	8,886	14,096

The notes on pages 16 to 39 form an integral part of these financial statements.

Consolidated statement of changes in funds

For the year ended 31 December 2017

		Accumulated funds	Fair value reserves	Foreign currency translation reserve	Total before charities	Charitable trusts and other funds	Group total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 December 2015		4,958	2,348	(2,828)	4,478	2,426	6,904
Changes in funds for 2016							
Deficit for the year		(4,307)	–	–	(4,307)	65	(4,242)
Other comprehensive income							
Realised loss on investment disposal		–	(311)	–	(311)	–	(311)
Unrealised gain on investment revaluation	7	–	487	–	487	275	762
Actuarial loss on pension scheme	12.2	(8,080)	–	–	(8,080)	–	(8,080)
Foreign exchange gain on translation		–	–	193	193	–	193
Total comprehensive income/ (expense)		(12,387)	176	193	(12,018)	340	(11,678)
Balance at 31 December 2016		(7,429)	2,524	(2,635)	(7,540)	2,766	(4,774)
Changes in funds for 2017							
Deficit for the year		(3,852)	–	–	(3,852)	(38)	(3,890)
Other comprehensive income							
Realised loss on investment disposal		–	(482)	–	(482)	–	(482)
Unrealised gain on investment revaluation	7	–	211	–	211	175	386
Actuarial gain on pension scheme	12.2	3,530	–	–	3,530	–	3,530
Foreign exchange gain on translation		–	–	38	38	–	38
Total other comprehensive income/ (expense)		(322)	(271)	38	(555)	137	(418)
Balance at 31 December 2017		(7,751)	2,253	(2,597)	(8,095)	2,903	(5,192)

The notes on pages 16 to 39 form an integral part of these financial statements.

Notes to the consolidated financial statements

For the year ended 31 December 2017

1. Summary of accounting policies

1.1 Basis of preparation

The Chartered Institute of Management Accountants (CIMA) is a body incorporated by Royal Charter and domiciled in the UK. The financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of freehold properties and investments, and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the IFRS Interpretational Committee interpretations.

CIMA is not required to follow the Companies Act 2006. Under the Royal Charter CIMA follows the relevant matters mentioned in Part 16 of the Act. It has chosen not to present its entity balance sheet.

In June 2016, the memberships of CIMA and the American Institute of Certified Public Accountants (AICPA) voted to evolve its joint venture and integrate strategy, management and operations. To facilitate such, CIMA and AICPA created two new entities, the Association of International Certified Professional Accountants – UK, (the 'Association UK') and the Association of International Certified Professional Accountants (the 'Association US'). The Association UK and US both launched on 1 January 2017, for which its purpose is to align strategy, management and operations, and to deliver on its mission and vision to create the most influential body of professional accountants driving a dynamic accounting profession worldwide. The Association UK is a company limited by guarantee and formed in the UK and the Association US has 90% voting rights and 5% each of the voting rights are held by CIMA and AICPA. The Association US is a 501 C-6, not for profit incorporated in Washington D.C. The Board of Directors of the Association US includes members of CIMA and AICPA. On 1 January 2017, the CIMA employees were transferred to the Association UK and the AICPA employees were transferred to the Association US. The Association UK and Association US are deemed associates and are accounted for under the basis set out in note 1.2.

Leasehold properties are revalued by a qualified surveyor, on a depreciated replacement cost basis, every three years, or more regularly should management consider that the value has changed significantly. Investments are revalued at the balance sheet date in line with the fair value hierarchy.

Going concern

The financial statements have been prepared on the going concern basis. CIMA has retained deficits of £5,192,000 after pension provisions of £14,770,000. Council has assessed the viability of CIMA believing that it has adequate financial resources in cash and investments, good income visibility with the long-term nature of the membership and strong plans in working with

the Association to successfully manage business risks. Council therefore have a reasonable expectation that CIMA has adequate resources to meet its liabilities as they fall due.

Reclassification of 2016 amounts

As explained in Note 2, prior year revenue and expenditure has been reclassified to better align reporting to the business model that it supports. In addition, bad debts had been netted off revenue in 2016 which have now been grossed up and shown as costs. There is no impact on the deficit for 2016 from the reclassification.

1.2 Basis of consolidation

The consolidated group financial statements comprise the financial statements of CIMA and the wholly owned subsidiary undertakings, charitable trusts and other funds under the control of CIMA, together with a share of the results, assets and liabilities of jointly controlled entities (associates) using the equity method of accounting, where the investment is carried at cost plus post acquisition changes in the share of net assets of the associate, less any provision for impairment.

Control is achieved where CIMA is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect these returns through its power over the investee. A joint venture or associate is an entity established to engage in economic activity, which CIMA jointly controls with its fellow venturers. Losses in excess of the consolidated interest in associates are not recognised, except where CIMA or its subsidiaries have made a commitment to make good those losses, and are included in creditors where the investment is impaired.

The consolidated group financial statements comprise the statements of comprehensive income, balance sheets and cash flow statements of CIMA and its foreign operations as detailed in Note 14.

1.3 The following statements are effective and relevant in the current year:

Amendment to IAS 16 Property, plant and equipment, and IAS 38 Intangible assets, on depreciation and amortisation (effective 1 January 2016)

Annual improvements 2014 (effective 1 January 2016)

Amendment to IAS 1 Presentation of financial statements disclosure initiative (effective 1 January 2016)

Amendment to IAS 7 Presentation of financial statements disclosure initiative (effective 1 January 2017)

Amendment to IAS 12 Income taxes on recognition of deferred tax assets for unrealised losses (effective 1 January 2017)

The following statements are effective and not relevant in the current year:

Amendment to IAS 27 Separate financial statements on equity accounting (effective 1 January 2016)

Amendment to IFRS 10 Consolidated financial statements, and IAS 28 Investments in associates and joint ventures on applying the consolidation exemption (effective 1 January 2016)

IFRS 14 Regulatory deferral accounts (effective 1 January 2016)

Amendment to IAS 16 Property, plant and equipment, and IAS 41 Agriculture on bearer plants (effective 1 January 2016)

Amendment to IFRS 11 Joint arrangements on acquisition of an interest in a joint operation (effective 1 January 2016)

The following statements may be relevant for future periods and management is assessing their potential impact:

IFRIC 22 Foreign currency transactions and advance consideration (effective 1 January 2018)

IAS 40 Investment property transfers of investment property (effective 1 January 2018)

Amendment to IFRS 4 'Insurance contracts' regarding the implementation of IFRS 9, 'Financial instruments' (effective 1 January 2018)

IFRS 9 Financial instruments (effective 1 January 2018)

IFRS 15 Revenue from contracts with customers (effective 1 January 2018)

IFRS 16 Leases (effective 1 January 2019)

1.4 Income recognition

The main income streams are recognised as follows:

Member and student subscriptions are recognised in the year when they fall due, where there is no significant uncertainty as to collectability. Subscriptions and fees received in advance represent funds paid to CIMA in the current year, but that relate to the annual fees which fall due, and are recognised as income, in the following year.

Exam fees are recognised on the date of the exam.

Exemption fees are recognised when invoiced.

Goods and services:

Courses and conferences revenue represents income earned from the combination of courses and conferences activity and BPP Professional Education Ltd Finance and Tax operations.

Magazine sales and advertising are recognised in the month of publication.

Sponsorship income is recognised when the event occurs.

Charitable donations and income are recognised when they are received.

Financial:

Interest is accrued on a daily basis.

Dividends from investments are recognised when CIMA's right to receive payment is established.

1.5 Expenditure recognition

Expenditure related to a specific income stream is recognised in the same period as the income.

Expenditure related to a specific period of time or service is recognised in that period. Goods or services delivered, for which the invoice has not been received, are accrued for in the accounting period in which they are delivered.

Expenditure incurred delivering the core products or services of CIMA or its ongoing functional activity for which there is no direct revenue benefit is expensed in the accounting period in which the commitment was made.

Gift aid donations made by CIMA to the General Charitable Trust are recognised when paid.

1.6 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to CIMA. All other leases are classified as operating leases and rental payments are charged against income on a straight-line basis over the term of the lease.

1.7 Taxation

Corporation tax arises on CIMA's trading profits, chargeable gains and investment income less any charitable donations by way of gift aid. A provision is made for deferred taxation to the extent that material timing differences are expected to reverse in future periods. No provision for deferred taxation is included in respect of surpluses on revaluation of property and investments.

1.8 Investments

Investments are recognised at cost on the trade date, and are restated on the reporting date at fair value. Unrealised gains and losses are recognised directly in fair value reserves until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss, previously recognised in fair value reserves, is included in the net surplus or deficit for the period. Income or expense arising on the translation of investments denominated in foreign currencies is recognised as part of the deficit or surplus for the year.

1.9 Property, plant and equipment

Freehold land and buildings are carried at fair value, based on valuations conducted every three years, with subsequent additions at cost. They are depreciated at 2% on a straight-line basis.

Leasehold land and buildings are carried at fair value, based on valuations conducted every three years, with subsequent additions at cost. They are depreciated on a straight-line basis over the period of occupation. Leasehold improvements are carried at cost and depreciated on a straight-line basis over the period of occupation.

Other equipment, comprising IT hardware, is carried at cost and depreciated on a straight-line basis at rates varying from 20% to 50%, depending on the useful economic life of the equipment. Small items of furniture and office equipment are expensed in the year of purchase. Cost includes attributable irrecoverable VAT.

1.10 Intangible assets

Intangible assets comprise computer software and trademarks; these are stated at cost. Cost includes attributable irrecoverable VAT.

Amortisation is charged on a straight-line basis over the estimated useful economic life of the software (between two and five years) and over the duration of the trademark. It is apportioned across the elements of value chain expenditure as explained in Note 2.

1.11 Impairment

At each balance sheet date, the carrying amounts of non-current assets with finite lives are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss.

If the recoverable amount of the asset is estimated to be less than the carrying amount, the carrying amount is reduced to the recoverable amount. Impairment losses are recognised in the consolidated statement of comprehensive income, unless the asset is land or buildings carried at a revalued amount, in which case the impairment loss is treated as a decrease in the fair value reserve.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in the consolidated statement of comprehensive income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as an increase in the fair value reserve.

1.12 Trade and other receivables

Trade and other receivables are stated at original invoice value less a provision for doubtful debts. The recoverability of debt is reviewed on an ongoing basis. CIMA reviews indicators of impairment on an ongoing basis and where such indicators exist makes an estimate of the assets recoverable amount.

1.13 Trade and other payables

Trade and other payables are recognised at amortised cost.

1.14 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balances with banks and financial institutions, credit card receipts cleared and in transit to CIMA, and investments in money market instruments representing short term, highly liquid investments, which are readily convertible to known amounts of cash.

1.15 Retirement benefits

For defined benefit plans, the cost of providing benefits is determined using the projected credit method, with valuations for the purposes of IAS 19 being carried out at each balance sheet date. Past service cost is recognised immediately, to the extent that benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the consolidated balance sheet represents the present value of the defined benefit obligation, reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the unrecognised actuarial losses and past service cost, plus the present value of available funds and reductions in future contributions to the plan.

For the defined contribution scheme, the cost recognised for the period is the contribution payable in exchange for services rendered by employees during the period.

1.16 Foreign currencies

Sterling is the presentational currency of CIMA. Transactions in currencies other than sterling are initially recorded at the rates of exchange prevailing on the dates of the transactions.

Surpluses and deficits arising on exchange are included in the net surplus or deficit for the period. Monetary assets and liabilities are translated at the rates prevailing on the balance sheet date, including non-UK operations. On consolidation the income and expense items of the non-UK operations are translated at the average rates for the period. Exchange differences on the translation of the assets and liabilities of the non-UK operations have been taken to the foreign currency translation reserve.

1.17 Derivatives

CIMA uses derivative financial instruments (derivatives) to hedge its exposure to foreign exchange risks arising from operational activities. CIMA does not hold or issue derivatives for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivatives are recognised at fair value. As the financial instruments are designated as fair value through profit and loss, the gain or loss on re-measurement to fair value is recognised immediately in the consolidated statement of comprehensive income.

1.18 Provisions

Provisions have been set aside for costs to complete open disciplinary cases with members and to remedy dilapidation lease obligations.

1.19 Sources of estimation and uncertainty

The preparation of the financial statements requires CIMA to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. CIMA bases its estimates on historical experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates under different assumptions or conditions.

1.20 Significant judgements

CIMA believes that the most significant critical judgement area in the application of its accounting policies is its deferred benefit pension scheme assumptions which are set out in Note 13.

The other significant judgement is the level of provision for doubtful debts, as set out in Note 9.1 and for the carrying value of properties and provisions.

1.21 Funds

CIMA maintains a level of reserves to protect against a shortfall in income should economic or market forces cause a significant decline in demand for its products and services for one year, or to its ability to earn a return on its invested funds. Most investment projects are funded out of current income, however accumulated reserves may be used to fund significant strategic projects.

Fair value reserves represent the market value of CIMA's investments and property in excess of the historic cost. The foreign currency translation reserve represents exchange differences arising on the translation of the assets and liabilities of the non-UK operations. Charitable trust reserves represent the total reserves relating to the Benevolent Fund and the Anthony Howitt Lecture Trust.

While the accumulated funds are negative in both 2016 and 2017, primarily driven by the pension valuation assumptions, CIMA's business model remains strong and relevant to the market, with a growing membership population underpinned by high retention levels generating sustainable future Income. The organisation is committed to standing behind the pension scheme and an agreed plan is in place to support and manage this over the coming years. In addition to this, the combined resources of the Association will provide a stronger platform for the delivery of the management accounting strategy to grow the membership pipeline.

2. Consolidated statement of comprehensive income

	Restated	
	2017	2016
	£'000	£'000
Income		
Becoming a member	24,665	23,504
Delivering member value	25,901	24,951
Promote competency globally	5,744	6,225
Financial	2,582	2,044
Total income	58,892	56,724
Expenditure		
Becoming a member	(24,215)	(21,738)
Delivering member value	(15,407)	(13,279)
Promote competency globally	(9,057)	(8,366)
Building influence and reputation	(14,065)	(17,709)
Total expenditure	(62,744)	(61,092)
(Expense) / Income from charitable trusts and other funds	(38)	65
Taxation benefit	–	61
Deficit for the year	(3,890)	(4,242)

Management has streamlined the reporting categories to reflect its evolving business model. Prior year income and expenditure has been reclassified to reflect this change without any impact to the 2016 deficit.

Becoming a member includes expenditures to attract new students and build relationships with schools, colleges and employers who can advocate on CIMA's behalf. We support student-learning and progression including our investment in our assessment platform. Taking students through exams is a core part of CIMA business model. We continue to invest in data analytical capability to continually improve our understanding of student behaviour in a rapidly changing learning and technology environment, enabling us to provide more personalised studying.

Delivering member value is the investment to remain engaged with our members and ensure we deliver the benefits to help our members thrive in their careers.

Promote competency globally is a key strategic initiative to lead the global accounting and finance profession in competency development and lifelong learning. We will do this by delivering thought leadership, experiences, products and services. These resources help professionals and the organizations in which they work to succeed as they navigate a rapidly changing business environment. We are investing in innovative, frictionless learning experiences and engaging the broader profession in content and community.

CIMA's building influence and reputation activities help to create demand for management accountants, and enhance the profile of our students and members globally. We invest in improvements to enhance stakeholder satisfaction, focus on advocacy and demonstrate thought leadership across the profession.

Financial income consists of interest, dividends and gains on the disposal of investments and intangible assets.

A significant part of CIMA's cost base is operational and supports all areas of the business. These costs are apportioned evenly across the elements of the value chain.

3. Operating deficit

3.1 The operating deficit has been arrived at after charging:

	2017	2016
	£'000	£'000
Net foreign exchange gain	308	294
Research and development costs	1,312	957
Depreciation of owned property plant and equipment	1,081	1,265
Amortisation of intangible assets	2,133	1,504
Gain on disposal of investments	885	423
(Loss) on disposal of non-current assets	(3,190)	(155)
Impairment of trade receivables	825	(64)

In accordance with article 3(c) of the Royal Charter, except under byelaw 34(b) (examiners' fees) and byelaw 26 (entity/company to entity/company), no Council member was remunerated during the year, with the exception of one, provided for under byelaw 26 and authorised by resolution of Council. No others benefited personally from any contract with CIMA, and contracts with organisations with which Council members were connected are not of a material nature.

3.2 Fees paid to external auditors

Saffery Champness replaced PwC as the group auditor for 2017. Saffery Champness and PwC provided audit, assurance, tax and advisory services in the UK, and to some non UK offices.

	2017	2016
	£'000	£'000
External audit		
UK		
PwC	116	235
Saffery Champness	162	–
Non UK	85	34
	363	269
Tax and advisory services		
UK		
PwC	2	316
Saffery Champness	64	–
Non UK	30	–
	96	316
	459	585

3.3 Employees

	2017	2016
	£'000	£'000
Salaries and wages	6,923	17,344
National insurance	154	1,383
Defined contribution scheme	682	2,877
Defined benefit scheme	692	667
	8,451	22,271

As referenced in note 1, all employees of CIMA were transferred to the Association UK on 1 January 2017. The costs for these employees are recorded as a management fee to CIMA. The cost of the salary, taxes and benefits is approximately £14.5m. A select number of employees were seconded to CIMA from the Association UK to deliver the responsibilities governed by the Royal Charter. These costs are reported in the table above for CIMA employees.

4. Taxation

4.1 Tax credit for the year

	2017	2016
	£'000	£'000
Current tax		
Current tax payable on deficit for the year	–	–
Total current tax	–	–
Deferred tax		
Current year	–	(68)
Effect of changes in tax rates	–	7
Total deferred tax	–	(61)
Total tax credit per consolidated statement of comprehensive income	–	(61)

4.2 Factors affecting the tax credit for the year

	2017	2016
	£'000	£'000
Deficit on ordinary activities before tax	(3,890)	(4,303)
Tax on deficit on ordinary activities at the standard UK rate of 19.25% (2016: 20.00%)	(749)	(861)
Effects of:		
Net income not taxable	514	382
Expenses not deductible	25	20
Chargeable gains	184	26
Utilisation of tax losses	–	365
Other reliefs	(116)	–
Current tax credit for the year	–	7
Permanent differences	142	–
	–	(61)

No tax liabilities arise under the activities of the charitable trusts.

4.3 Deferred tax provision

	2017	2016
	£'000	£'000
Provision at the start of the year	–	61
Credit for the year	–	(61)
Provision at the end of the year	–	–

5. Property, plant and equipment

	Freehold land and building (at valuation)	Leasehold land and building (at valuation)	Leasehold improvements (at cost)	Other equipment (at cost)	Total
	£'000	£'000	£'000	£'000	£'000
Net book value at 31 December 2015	1,019	296	3,483	2,075	6,873
Cost or valuation					
At 1 January 2016	1,024	304	4,132	2,983	8,443
Additions	-	-	66	106	172
Disposals	-	-	(183)	(315)	(498)
Transfer from software	-	-	-	14	14
Foreign exchange	-	-	58	12	70
At 31 December 2016	1,024	304	4,073	2,800	8,201
Accumulated depreciation					
At 1 January 2016	(5)	(8)	(649)	(908)	(1,570)
Charge for the year	(20)	(31)	(369)	(845)	(1,265)
Eliminated on disposals	-	-	156	240	396
Transfer from software	-	-	-	(5)	(5)
Foreign exchange	-	-	(25)	(6)	(31)
At 31 December 2016	(25)	(39)	(887)	(1,524)	(2,475)
Net book value at 31 December 2016	999	265	3,186	1,276	5,726
Cost or valuation					
At 1 January 2017	1,024	304	4,073	2,800	8,201
Additions	-	-	27	54	81
Disposals	-	-	(3,659)	(11)	(3,670)
Foreign exchange	-	-	(6)	7	1
At 31 December 2017	1,024	304	435	2,850	4,613
Accumulated depreciation					
At 1 January 2017	(25)	(39)	(887)	(1,524)	(2,475)
Charge for the year	(21)	(31)	(307)	(631)	(990)
Eliminated on disposals	-	-	856	8	864
Foreign exchange	-	-	5	1	6
At 31 December 2017	(46)	(70)	(333)	(2,146)	(2,595)
Net book value at 31 December 2017	978	234	102	704	2,018

Freehold and leasehold land and buildings refer to property in Sri Lanka. Leasehold improvements include the corporate centre offices in the Helicon building, London, which were transferred to the Association UK during 2017, and also non-UK offices.

The valuation of the freehold and leasehold land and building in Sri Lanka was prepared by an independent valuation expert on the basis of depreciated replacement cost at 30th October 2015. The valuation segregates the respective values of the freehold and leasehold land and buildings.

On a historical cost basis the revalued freehold and leasehold land and buildings in Sri Lanka would have been included at a cost of £670k less accumulated depreciation of £302k.

6. Intangible assets

	Computer software	Trademarks	Total
	£'000	£'000	£'000
Net book value at 31 December 2015	3,958	1,075	5,033
Cost			
At 1 January 2016	10,920	1,224	12,144
Additions	3,472	164	3,636
Transfer to equipment	(14)	–	(14)
Disposals	(900)	–	(900)
At 31 December 2016	13,478	1,388	14,866
Accumulated amortisation			
At 1 January 2016	(6,962)	(149)	(7,111)
Charge for the year	(1,300)	(204)	(1,504)
Eliminated on disposals	847	–	847
Transfer to equipment	5	–	5
At 31 December 2016	(7,410)	(353)	(7,763)
Net book value at 31 December 2016	6,068	1,035	7,103
Cost			
At 1 January 2017	13,478	1,388	14,866
Additions	1,761	(20)	1,741
Disposals	(741)	–	(741)
At 31 December 2017	14,498	1,368	15,866
Accumulated amortisation			
At 1 January 2016	(7,410)	(353)	(7,763)
Charge for the year	(2,111)	(22)	(2,133)
Eliminated on disposals	357	–	357
At 31 December 2017	(9,164)	(375)	(9,539)
Net book value at 31 December 2017	5,334	993	6,327

Included above are assets under construction at a cost of £2,442k (2016: £2,822k). As these are assets under construction, depreciation has not started yet.

7. Interest in other investments

	Investment in associate	Marketable securities		
	Held by CIMA	Held by CIMA	Held by charitable trusts and other funds	Total
	£'000	£'000	£'000	£'000
At 31 December 2015 at fair value	–	3,342	2,277	5,619
At 1 January 2016 at fair value	–	3,342	2,277	5,619
Additions of listed investment at cost	–	42	–	42
Investment in associate	52	–	–	52
Disposals of listed investments at opening fair value	–	(802)	–	(802)
Unrealised gain on revaluation of listed investments	–	487	275	762
Impairment	(52)	–	–	(52)
At 31 December 2016 at fair value	–	3,069	2,552	5,621
Historical cost	403	1,591	2,015	4,009
At 1 January 2017 at fair value	–	3,069	2,552	5,621
Investment in associate	441	–	–	441
Disposals of listed investments at opening fair value	–	(987)	–	(987)
Unrealised gain on revaluation of listed investments	–	211	176	387
At 31 December 2017 at fair value	441	2,293	2,728	5,462
Historical cost	441	1,080	2,015	3,536

The investment in associate in 2017 represents CIMA's net investment in the Helicon lease, assets and associated liabilities that were transferred to the Association UK. The investment in associate in 2016 represented the Verein registered in Switzerland which was wound down on 31 December 2016.

Marketable securities comprise units in funds managed by Schroder and Co. Limited. These funds are revalued at the balance sheet date to market quoted prices. Investments are classified as non-current unless they are expected to be realised within one year.

	2017	2016
	£'000	£'000
The unit funds are invested in the following asset classes		
Equities	2,847	3,529
Multi asset funds	2,174	2,091
Cash	–	1
	5,021	5,621

	2017	2016
	'000	'000
The unit funds are invested in the following currencies		
Sterling	2,361	3,069
US Dollar	2,660	2,552
	5,021	5,621

As described in Note 1, CIMA and the AICPA created two new entities to align strategy, management and operations. CIMA made payments of £14.7m to the Association UK for services rendered on behalf of CIMA. No payments have been made to the Association US.

8. Current assets

The Council considers that the carrying amounts of these assets is approximate to their fair values.

8.1 Trade and other receivables comprise:

	2017	2016
	£'000	£'000
Trade receivables	3,961	3,169
Prepayments	1,066	1,338
Other receivables	663	157
	5,690	4,664

The average credit period taken on trade receivables is 32 days (2016: 30 days). An allowance of £1,094k has been made in respect of doubtful trade receivables (2016: £269k).

8.2 Cash and cash equivalents comprise:

	2017	2016
	£'000	£'000
Cash in hand and at bank	5,368	11,577
Credit card receipts in transit	3,518	2,519
	8,886	14,096

8.3 Interest in other investments

	£'000
At 31 December 2015 at fair value	2,093
Historical cost	2,032
At 1 January 2016 at fair value	2,093
Disposals of listed investments at opening fair value	(2,093)
At 31 December 2016 at fair value	–
Historical cost	–

These comprised marketable securities units in a multi asset fund managed by Schroder and Co. Limited. This fund was revalued at the balance sheet date to market quoted prices. CIMA's level of investment in the fund were managed as part of its short term working capital planning, and as such they were classified as current assets in 2016.

9. Trade and other payables

	2017	2016
	£'000	£'000
Trade payables and accruals	4,074	9,038
Corporation tax payable	–	6
Related party payable	570	–
Other taxes and social security costs	708	75
	5,352	9,119

The related party payables consist of amounts due to the regional offices that are not eliminated on consolidation.

10. Provisions

	Dilapidations	Other	Total
	£'000	£'000	£'000
At 31 December 2015	439	349	788
Utilised	–	(339)	(339)
Released	–	(10)	(10)
Provided	7	416	423
At 31 December 2016	446	416	862
Utilised	–	(315)	(315)
Released	(463)	(101)	(564)
Increase costs of ongoing provisions	–	7	7
Provided	17	238	255
At 31 December 2017	–	245	245

Of the provisions held at year end £245k (2016: £416k) is current, and £Nil (2016: £446k) is non current.

11. Subscriptions and fees received in advance

This primarily represents 2018 subscriptions received in 2017. They are treated as deferred income, and will be released to the statement of comprehensive income in 2018 in line with the subscription period.

12. Retirement benefits

CIMA sponsors The Chartered Institute of Management Accountants Pension and Assurance Scheme (the 'Scheme'), a funded defined benefit pension scheme in the UK. The Scheme is administered within a trust which is legally separate from CIMA. Trustees are appointed by both CIMA and the Scheme's membership and act in the interest of the scheme and all relevant stakeholders, including the members and CIMA. The Trustees are also responsible for the investment of the Scheme's assets.

This Scheme provides pensions and lump sums to members on retirement and to their dependants on death. Members who leave service before retirement are entitled to a deferred pension. The Scheme closed to new members in 2002, and to accrual of benefits in 2012.

The responsibility for making good any deficit within the Scheme lies with CIMA and this introduces a number of risks for CIMA. The major risks are: interest rate risk, inflation risk, investment risk, and longevity risk. CIMA and the Trustees are aware of these risks and manage them through appropriate investment and funding strategies. The Trustees manage governance and operational risks through a number of internal control policies, including a risk register.

The Scheme is subject to regular actuarial valuations, which are usually carried out every three years. An actuarial valuation was carried out at 1 April 2015. These actuarial valuations are carried out in accordance with the requirements of the Pensions Act 2004 and so include deliberate margins for prudence. This contrasts with these accounting disclosures, which are determined using best estimate assumptions.

Following the 2012 valuation, CIMA and the Scheme agreed a plan to reduce the liability to zero over the ten years to 2023. This is through additional contributions from CIMA and expected investment returns on the Scheme's assets. In the current year CIMA's contributions amounted to £1,277k (2016: £1,301k).

The results of the formal actuarial valuation as at 1 April 2015 have been projected to 31 December 2017 by a qualified independent actuary. The figures in the following disclosures were measured using the Projected Unit Method.

While CIMA and AICPA created the Association UK and US to align strategy, management and operations as explained in Note 1, the Scheme will remain in CIMA and will have first call on membership and student subscription income to ensure it can continue to meet its obligations. This has been fully agreed between the Scheme Trustees and the Council.

12.1 Amounts recognised in the consolidated balance sheet

	2017	2016	2015
	£'000	£'000	£'000
Present value of Scheme liabilities	(57,839)	(58,841)	(47,253)
Fair value of Scheme assets	43,069	39,956	35,814
Net amount recognised at year end	(14,770)	(18,885)	(11,439)

All Scheme assets are valued at a quoted market place.

12.2 Amounts recognised in the consolidated statement of comprehensive income

The current and past service costs, settlements and curtailments, together with the net interest expense for the year are included in the employee benefits expense in the consolidated statement of comprehensive income. Remeasurements of the net defined benefit liability are included in other comprehensive income.

	2017	2016
	£'000	£'000
Service cost		
Administration expenses	206	258
Net interest expense	486	409
Charge recognised in the consolidated statement of comprehensive income	692	667
Remeasurements of the net liability		
Return on Scheme assets (excluding amount included in interest expense)	(2,044)	(5,032)
Loss arising from changes in financial assumptions	1,302	13,460
Gain arising from changes in demographic assumptions	(2,679)	–
Experience gain	(109)	(348)
(Gain)/charge recorded in other comprehensive income	(3,530)	8,080
Total defined benefit (gain)/cost	(2,838)	8,747

12.3 The principal actuarial assumptions used

	2017	2016
	%	%
Liability discount rate	2.50	2.65
Inflation assumption RPI	3.40	3.45
Inflation assumption CPI	2.40	2.45
Revaluation of deferred pensions:		
In service deferreds	3.40	3.45
Deferreds	2.40	3.45
Increases for pensions in payment:		
Benefits accrued prior to 1 April 1997	3.00	3.00
Benefits accrued prior to 1 April 1997 to 1 April 2004	3.60	3.65
Benefits accrued after 1 April 2004	3.25	3.40
Proportion of employees commuting pension for Cash	All members commute 2.25 times their pension at retirement on a fixed commutation factor of 15:1	All members commute 2.25 times their pension at retirement on a fixed commutation factor of 15:1
Mortality assumption – pre retirement	Light SAPS S2PxA CMI 2016 (long term trend of 1.5%)	Light SAPS S2PxA CMI 2014 (long term trend of 1.5%)
Mortality assumption – male post Retirement	Light SAPS S2PxA CMI 2016 (long term trend of 1.5%)	Light SAPS S2PxA CMI 2014 (long term trend of 1.5%)
Mortality assumption – female post Retirement	Light SAPS S2PxA CMI 2014 (long term trend of 1.5%)	Light SAPS S2PxA CMI 2014 (long term trend of 1.5%)
Future expected lifetime of current pensioner age 65		
Male aged 65 at year end	88.40	89.00
Female age 65 at year end	89.50	90.20
Future expected lifetime of future pensioner at age 65		
Male aged 45 at year end	90.10	91.00
Female age 45 at year end	91.30	92.50

The choice of assumptions is the responsibility of the Council, and they are agreed with the actuary. The assumptions chosen are the most appropriate estimates from a range of possible actuarial assumptions, which due to the timescale covered, may not necessarily be borne out in practice.

12.4 Reconciliation of Scheme assets and liabilities

	Liabilities	Assets	Total
	£'000	£'000	£'000
At 1 January 2016	(47,253)	35,814	(11,439)
Interest income / (expense)	(1,711)	1,302	(409)
Administration expenses	–	(258)	(258)
Cost recognised in the statement of comprehensive income	(1,711)	1,044	(667)
Actuarial gains and losses arising in changes in financial assumptions	(13,460)	–	(13,460)
Other experience items	348	–	348
Return on assets (excluding amount included in net interest expense)	–	5,032	5,032
Remeasurement effects recognised in other comprehensive income	(13,112)	5,032	(8,080)
Contributions from CIMA	–	1,301	1,301
Benefits paid	3,235	(3,235)	–
Net cash	3,235	(1,934)	1,301
At 31 December 2016	(58,841)	39,956	(18,885)
Interest income / (expense)	(1,545)	1,059	(486)
Administration expenses	–	(206)	(206)
Cost recognised in the statement of comprehensive income	(1,545)	853	(692)
Actuarial (losses) arising in changes in financial assumptions	(1,302)	–	(1,302)
Actuarial gains arising in changes in demographic assumptions	2,679	–	2,679
Other experience items	109	–	109
Return on assets (excluding amount included in net interest expense)	–	2,044	2,044
Remeasurement effects recognised in other comprehensive income	1,486	2,044	3,530
Contributions from CIMA	–	1,277	1,277
Benefits paid	1,061	(1,061)	–
Net cash	1,061	216	1,277
At 31 December 2017	(57,839)	43,069	(14,770)

12.5 Split of the Scheme's liabilities by category of membership

	2017	2016
	£'000	£'000
In-service deferred members	14,224	14,277
Deferred pensioners	26,887	26,996
Pensions in payment	16,728	17,568
	57,839	58,841
Average duration of the Scheme's liabilities at the end of the year	20 years	21 years

12.6 The major categories of Scheme assets are as follows

	2017	2016
	£'000	£'000
Return seeking		
UK equities	8,763	6,520
Non UK equities	2,373	8,235
Diversified growth funds	7,802	–
Alternatives	12,670	7,675
Total return seeking	31,608	22,430
Debt instruments		
Corporates	713	15,099
LDI	8,303	–
Total debt instruments	9,016	15,099
Other		
Property	2,445	2,245
Cash	–	182
Total market value of assets	43,069	39,956

The Scheme has no investments in CIMA or in property occupied by CIMA.

12.7 Sensitivity of the liability value to changes in the principal assumptions

If the discount rate was 0.1% higher (lower), the Scheme liabilities would decrease by £1,195k (increase by £1,231k), if all the other assumptions remained unchanged.

If the inflation assumption was 0.1% higher (lower), the Scheme liabilities would increase by £856k (decrease by £754k). In this calculation all assumptions related to the inflation assumption have been appropriately adjusted, that deferred pension, and pension in payment increases. The other assumptions remain unchanged.

If life expectancies were to increase (decrease) by one year, the Scheme liabilities would increase by £2,639k (decrease by £2,537k), if all the other assumptions remained unchanged.

If members were assumed not to commute any pension for cash at retirement, the Scheme liabilities would increase by £4,919k, if all the other assumptions remained unchanged.

These sensitivities have been calculated to show the movement in the Scheme in isolation, and assuming no other changes in market conditions at the accounting date. This is unlikely in practice, for example, a change in discount rate is unlikely to occur without any movement in the value of the assets held by the Scheme.

12.8 Other retirement obligations

A provision of £75k has been made in the CIMA Sri Lanka entity for retirement gratuities in conformity with SLAS 16/Gratuity Act No. 12 of 1983 for all employees who have completed one year of service, and is recognised as an expense in the period during which their services are rendered in accordance with SLAS 16.

13. Financial instruments

CIMA's principal financial instruments comprise marketable securities and charitable trusts and other funds. The main purpose of these financial instruments is to raise finance for the Group's operations including the operations of its controlled charities. The Group has various other financial instruments such as trade receivables, trade payables and accruals that arise directly from its operations. At 31 December 2017 and 2016 the Group had no significant derivatives. Foreign currency exchange contracts are further discussed in section d below. The main financial risks for the Group are credit risk, liquidity risk, currency risk and investment risk.

13.1 Risks

13.1.1 Credit risk

The risk on cash balances, deposits and available for sale investments is managed in a risk averse manner, being held with UK clearing banks with a credit rating of at least A. A maximum of £5m may be invested per bank. The trade credit risk is mainly attributable to subscription and exam fee income. There is no concentration of risk in this area, as income is diversified over a large number of members and students.

13.1.2 Currency risk

CIMA operates in a number of countries, has trade commitments in a number of currencies and, therefore, has some exposure to currency movements. Income is largely sterling denominated, while non-sterling expenditure accounts for 19% of total expenditure. CIMA continues to review currency risk on a regular basis and will take action to hedge risk as appropriate. See note 13.4 for a summary of hedges in place at the year end.

13.1.3 Investment risk

Investment income, including gains on disposals, declined by £779k from £1,522k to £743k. Budgets are prepared on a prudent basis and income from investments is not relied on for CIMA's ongoing activities. Investments are reviewed on a regular basis. A 10% increase in fair value at year end would result in a rise of £502k in the value of investments and a corresponding rise in the fair value reserve; a decrease of 10% would result in a fall of £502k in the value of investments, and a corresponding fall in the fair value reserve.

13.1.4 Liquidity risk

CIMA's business model, with subscription fees falling due on 1 January and examination fees being due before exam event commitments are made, results in working capital requirements being fully funded in advance. This results in a high proportion of CIMA's asset base being cash on deposit. These deposits are actively managed to ensure that working capital requirements are met at all times.

13.1.4 Liquidity risk (continued)

The total gross contractual undiscounted cash flows of financial liabilities fall due as follows.

31 December 2017	On demand or within 1 year	1-2 years	2-5 years	More than 5 years	Total
	£'000	£'000	£'000	£'000	£'000
Trade and other payables	(5,352)	–	–	–	(5,352)
Provisions	(245)	–	–	–	(245)
	(5,597)	–	–	–	(5,597)

31 December 2016	On demand or within 1 year	1-2 years	2-5 years	More than 5 years	Total
	£'000	£'000	£'000	£'000	£'000
Trade and other payables	(9,119)	–	–	–	(9,119)
Provisions	(416)	–	–	(446)	(862)
	(9,535)	–	–	(446)	(9,981)

13.2 Summary of financial instruments

31 December 2017	Loans and receivables	Loans at amortised cost	Available for sale assets	Total
	£'000	£'000	£'000	£'000
Assets				
Non current				
Marketable securities	–	–	2,360	2,360
Investment in associate	441	–	–	441
Charitable trust funds	–	–	2,661	2,661
Total	441	–	5,021	5,462
Current				
Marketable securities	–	–	–	–
Trade and other receivables	5,690	–	–	5,690
Cash and cash equivalents	8,886	–	–	8,886
Total	14,576	–	–	14,576
Liabilities				
Current				
Trade and other payables	–	(5,352)	–	(5,352)
Provisions	–	(245)	–	(245)
Total	–	(5,597)	–	(5,597)
Non-current				
Provisions	–	–	–	–
Total	–	–	–	–
Net financial assets/ (liabilities)	15,017	(5,597)	5,021	14,441

31 December 2016	Loans and receivables	Loans at amortised cost	Available for sale assets	Total
	£'000	£'000	£'000	£'000
Assets				
Non current				
Marketable securities	–	–	3,069	3,069
Charitable trust funds	–	–	2,552	2,552
Total	–	–	5,621	5,621
Current				
Marketable securities	–	–	–	–
Trade and other receivables	4,664	–	–	4,664
Cash and cash equivalents	14,096	–	–	14,096
Total	18,760	–	–	18,760

Liabilities				
Current				
Trade and other payables	–	(9,119)	–	(9,119)
Provisions	–	(416)	–	(416)
Total	–	(9,535)	–	(9,535)
Non-current				
Provisions	–	(446)	–	(446)
Total	–	(446)	–	(446)
Net financial assets/ (liabilities)	18,760	(9,981)	5,621	14,400

13.3 Fair value hierarchy

Level 1: The fair value of financial instruments traded in active markets is based on the quoted bid price at the reporting date.

Level 2: The fair value of financial instruments not traded in an active market is determined using observable market data for all significant inputs.

Level 3: The fair value of financial instruments not traded in an active market where at least one significant input cannot be determined using observable market data; this includes unlisted equity securities.

Available for sale financial assets are carried at fair value. Marketable securities and charitable trusts are classified as a level 1 fair value measurement for disclosure purposes, as the fair value is determined based on quote prices in active markets for identical assets. The carrying value of all other assets and liabilities approximates fair value.

13.4 Derivatives

CIMA took out foreign exchange contracts in 2017 to mitigate against potential losses on some grant expenditure to be paid out to non-UK offices in 2018; CIMA continues to review currency requirements and exchange risk on an ongoing basis.

	2017	2016
	£'000	£'000
Value of derivatives at deal rate	(5,548)	(2,753)
Value of derivatives at year end spot rate	5,491	2,600
Interest rate differential	(23)	(3)
Loss recognised in the consolidated statement of comprehensive income	(80)	(156)

14. Related parties

14.1 The group financial statements consolidate the accounts of CIMA, its wholly owned subsidiary undertakings, and the charitable trusts and other funds under the control of CIMA listed below. These financial statements exclude all balances and transactions that are eliminated on consolidation. CIMA maintains branch offices in India and Pakistan, and other representative offices in a number of countries which are not listed below as they are not material to the group financial statements.

Name	Country of incorporation	Principal activity	CIMA ownership/control
American Institute of Certified Public Accountants	US	Voluntary profession membership organisation primarily representing public and management accountants in the United States of America.	0%
Association of International Certified Professional Accountants	US	CIMA and AICPA are founding members and the Associations mission and vision is to be the most influential body of professional accountants driving a dynamic accounting profession worldwide	50%
Association of International Certified Professional Accountants, UK	UK	Cost sharing group providing services for CIMA	5%
CIMA Enterprises Limited	UK	Membership of joint venture	100%
Global Management Accountants in Business Limited	UK	Membership of joint venture	100%
The Chartered Institute of Management Accountants Benevolent Fund	UK	To provide assistance to members and ex-members, and their families, in times of hardship.	100%
The Anthony Howitt Lecture trust	UK	To advance education in accountancy and related subjects.	100%
CIMA Australasia Limited	Australia	Membership services	100%
Chartered Institute of Management Accountants Bangladesh branch	Bangladesh	Membership services	100%
CIMA China Co Limited	China	Membership services	100%
The Chartered Institute of Management Accountants	Hong Kong	Membership services	100%
Chartered Institute of Management Accountants Republic of Ireland Division	Ireland	Membership services	100%
CIMA SE Asia Sdn Bhd	Malaysia	Membership services	100%

Name	Country of incorporation	Principal activity	CIMA ownership/control
The Chartered Institute of Management Accountants	Dubai	Membership services	100%
CIMA Singapore Pte Limited	Singapore	Membership services	100%
The Chartered Institute of Management Accountants NPC	South Africa	Membership services	100%
The Chartered Institute of Management Accountants Sri Lanka	Sri Lanka	Membership services	100%

14.2 Associates

As per note 1.1, CIMA and the American Institute of Certified Public Accountants (the "AICPA") created two new entities, the Association of International Certified Professional Accountants – UK, (the 'Association UK') and the Association of International Certified Professional Accountants (the 'Association US'). The Association UK and US both launched on 1 January 2017, for which its purpose is to align strategy, management and operations, and to deliver on its mission and vision to create the most influential body of professional accountants driving a dynamic accounting profession worldwide. The Association UK is a company limited by guarantee and formed in the UK and the Association US has 90% voting rights and 5% each of the voting rights are held by CIMA and AICPA.

During the year CIMA paid management charges to the Association UK of £14,773k, and transferred assets and liabilities with a net value of £532k.

As per note 7, in 2012 CIMA formed a joint venture with the AICPA, called the Association of International Certified Professional Accountants, which was a Verein registered in Switzerland. There were five members of the Verein, three subsidiaries of the AICPA, and two subsidiaries of CIMA – CIMA Enterprises Limited and Global Management Accountants in Business Limited; through this ownership structure CIMA owned 40% of the joint venture. The joint venture was governed by a Management Board, comprised of four persons designated by CIMA and four by the AICPA.

14.3 Dormant companies

CIMA holds 100% of the 100 issued £1 ordinary shares of The Corporate Society of Financial Management Limited, 100% of the two issued £1 ordinary shares of The Institute of Cost and Works Accountants Limited, 100% of the one issued £1 ordinary share in CGMA Limited, and 100% of the 100 £1 issued ordinary shares of Global Professional Accountants in Business Limited, Professional Accountants in Business Limited, Management Accountants in Business Limited, and CIMA China Limited. All these companies were dormant in the periods covered by these financial statements.

14.4 General Charitable Trust

The General Charitable Trust (GCT) is a registered charity, and was formed for the advancement of education in the subjects of accounting, management accounting, electronic data processing, costing, auditing, taxation, applied economics, finance, and other related subjects of an educational nature.

During the year CIMA made gift aid donations of £130k (2016: £100k) to the GCT, and the American Institute of Certified Public Accountants made donations of £0k (2016: £149k). CIMA also provided support services with a notional value of £84k (2016: £97k). At the end of the year the net assets of the GCT were £125k (2016: £224k), which included £31k (2016: £43k) payable to CIMA.

15. Subsequent events

In February 2018, an announcement was made which would impact the jobs of certain employees within the Association UK. First, the opening of an office in Kuala Lumpur, Malaysia for which certain support activities currently performed by employees in various locations would be moved to Kuala Lumpur to allow for centralization of processes to achieve cost efficiencies. Second, the announcement of a technology partner, to increase the speed to market, leverage best-in-class IT capabilities and achieve cost efficiencies. As part of the announcement, impacted employees were communicated a last day of employment, and each employee will be entitled to receive a severance payment, in accordance with Association UK policy, if the individual remains employed until his or her last day of employment. Severance costs associated with impacted employees approximated £461k.

Meetings attended by members of CIMA's Council

Name	Electoral Constituency	Council	Name	Electoral Constituency	Council
Agate M	11	4/4	Kanaka M ***	co	2/2
Ash P	11	4/4	Karkaria P	co	3/4
Barr P	8	3/4	Kelly K ++	co	2/2
Beedham R	6	4/4	Khalil I ***	co	2/2
Boffey A	6	3/4	Kirkland J M ***	co	2/2
Bragg K	3	4/4	Lowney M	3	3/4
Brown J ***	5	2/2	Mack D ++	co	2/2
Chan F	16	4/4	Macnab A	7	4/4
Christen T***	co	0/2	Madden M pp ++		1/2
Clackworthy S ++	12	1/2	McGunnigle A	3	3/4
Connaughton L	9	4/4	McMasters K nc ++	co	2/2
Cottam J ***	6	2/2	Melancon B nc ++	co	2/2
Davies N	2	4/4	Miskin A ipp		4/4
Davison N	5	4/4	Mistry H	4	4/4
Donaldson G ***	co	2/2	Muchhala M	1	4/4
Don-Perriot Y D	10	4/4	Newbury K ++	6	2/2
Edirisinghe R	14	3/4	Niswander R ***	co	2/2
Essayah K	12	3/4	O' Brien L ***	co	2/2
Fitzgerald L	co	2/4	Owen J	1	4/4
Ghosh S ***	11	2/2	Panditharatne C	19	4/4
Goddard A	15	4/4	Parker H	17	4/4
Graham J	6	3/4	Ratnayake A vp		4/4
Hans A	1	4/4	Richardson E M	2	4/4
Hurst S	co	3/4	Ryalls G ***	7	2/2
Jackson N	co	4/4	Saxton M+	18	1/1
Jessett N	4	4/4	Sharp R	11	4/4
Johnson D	2	4/4	Stahlin P nc ++	co	2/2
Jordan E***	co	2/2	Stanford D p		4/4
Kakad B **	4	3/3			

Name	Electoral Constituency	Council
Stapleford S	3	4/4
Swientozielskyj S dp		4/4
Taylor A ++	7	2/2
Taylor L	12	4/4
Theagarajah R ++	co	1/2
Wayment S ++	11	1/2
Watson J +	12	0/1
Weston J D ++	16	1/2
Whitehead J	5	4/4
J Zheng	co	4/4

Honorary Officers	
President	David Stanford
Deputy President	Steven Swientozielskyj
Vice President	Amal Ratnayake
Immediate Past President	Andrew Miskin

CIMA Electoral Constituency	
Central London & North Thames	1
South West England & South Wales	2
East Midlands & East Anglia	3
West Midlands	4
North East England	5
North West England & North Wales	6
Scotland	7
Northern Ireland	8
Republic of Ireland	9
East, West Central & Southern Africa	10
Central Southern England	11
South East England	12
South Asia	14
North Asia	15
South East Asia	16
Europe, North Africa & Middle East	17
The Americas	18
Australasia	19

Key	Electoral Constituency
p	President
dp	Deputy President
vp	Vice President
pp	Past President
ipp	Immediate Past President
co	Co-opted
nc	Non-CIMA Member
*	Non Council Member
**	Appointment effective from April 2017
***	Appointment effective from AGM 2017
+	Appointment effective from September 2017
++	Left Council at AGM 2017
S	CIMA Staff Member

CIMA's committees

Appointments Committee

Chairman	Andrew Miskin ipp Myriam Madden * pp David Stanford p Steve Swientozielskyj dp Amal Ratnayake vp Mike Agate Debbie Don-Pierrot Hillary Parker
Secretary	Baljeet Basra s

Professional Standards Committee

Chairman	Bob Beedham
Vice Chairman	Richard Sharp Anna Corry* Nigel Davies Kelly Essayah Nic Davison Peter Fullam* Nigel Iyer* David Johnson Michael Lowney Karen Newbury* Allison Walker *
Secretary	Gail Stirling s

Membership Committee

Chairman	Melanie Kanaka
Vice Chairman	Mustafa Muchhala Janet Brown Jim Callandar * Aidan Goddard Gordon Grant * Niall Hennessy* Imran Khalil Naseer
Secretary	Baljeet Basra s

Other committees, boards and trusts

Benevolent Fund Committee

Chairman	Elaine Richardson
Vice Chairman	Andrew McGunnigle
	Derek Barnes*
	Sue Hoof*
	Ambrose Kealy *
	Has Mistry
	Andrew Oxley*
	John Weston *
	Robert I Wilson (Bob)*
Secretary	Caroline Aldred s

CIMA Enterprises Ltd (CEL)

Director	Andrew Harding s
Director	CIMA (Corporate Body)
Company Secretary	Baljeet Basra s

CIMA China Ltd

Director	Andrew Harding s
Director	CIMA (Corporate Body)
Company Secretary	Baljeet Basra s

Institute of Cost and Works Accountants Ltd (Dormant)

Director	Andrew Harding s
Director	CIMA (Corporate Body)
Company Secretary	Baljeet Basra s

Professional Accountants in Business Ltd (Dormant)

Director	Andrew Harding s
Director	CIMA (Corporate Body)
Company Secretary	Baljeet Basra s

CGMA (Dormant)

Director	Andrew Harding s
Director	CIMA (Corporate Body)
Company Secretary	Roopa Deshmukh s

General Charitable Trust

Chairman	Glynn Lowth* pp,
Vice Chairman	Rod Hill* pp
	Bob Beedham
	Ivan Court*
	Francesca Windsor *
Secretary	tbc s

Global Management Accountants in Business Ltd

Director	Andrew Harding s
Director	CIMA (Corporate Body)
Company Secretary	Baljeet Basra s

Corporate Society of Financial Management Ltd (Dormant)

Director	Andrew Harding s
Director	CIMA (Corporate Body)
Company Secretary	Baljeet Basra s

Global Professional Accountants in Business Ltd (Dormant)

Director	Andrew Harding s
Director	CIMA (Corporate Body)
Company Secretary	Baljeet Basra s

Management Accountants in Business Ltd (Dormant)

Director	Andrew Harding s
Director	CIMA (Corporate Body)
Company Secretary	Baljeet Basra s

Anthony Howitt Lecture Trust

Chairman	David Stanford p
	Steve Swientozielskyj dp
	Amal Ratnayake vp
	Andrew Miskin ipp

Institute Secretary

Secretary General	Gail Stirling s
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Independently appointed conduct committees

Investigation Committee

Chairman	Colette Neville nc
Vice Chairman	Graham Humby nc
Vice Chairman	John Crawley nc
Vice Chairman	Victoria Isaac nc
	Morounke Akingbola *
	Paul Brittain *
	Elizabeth Corcoran*
	Cheryl Little *
	Chris Matthews-Maxwell nc
	Damien O’Kane *
	Diana Reid nc
Secretary	Moussa Zabetti s

Disciplinary Committee

Chairman	Rosalind Wright nc
Vice Chairman	Helen Riley nc
Vice Chairman	Robin Somerville nc
Vice Chairman	Judith Way *
	Bryn Anstice nc
	Joseph Campbell *
	Paul Carcone *
	Angela Loveless nc
	Bridget Makins nc
	Sandra Murray *
	Suzanne Smith *
	Jennifer Quirke *
	Stephen Thacker nc
	Ian Watts *
Secretary	Moussa Zabeti s

Appeal Committee

Chairman	Jules Griffiths nc
Vice Chairman	Peter Cadman nc
	Andrew Burman nc
	Malcolm Cornberg *
	Jonathan Page nc
	Daniel Farrow *
Secretary	Rosemary Carroll s

CIMA representatives on external boards and committees

CCAB Ireland (CCABI)

Sean Shine*
Sharon McCue*
Tony Manning*
Roger Acton*

International Federation of Accountants (IFAC)

IFAC Council David Stanford p
IFAC Board Observer Andrew Miskin/ Myriam Madden

IFAC Professional Accountants In Business Committee

Chairman Charles Tilley s
Member Stuart Chaplin*

International Ethics Standards Board for Accountants (IESBA)

(vacant)

Spokesperson for Home Office Campaign to raise awareness of money laundering

Nigel Davies

IFAC Small and Medium Practices Committee

Berend Van Aswegen*

Professional Accountancy Body Development Committee

Devika Mohotti

Accountancy Europe

General Assembly Hilary Parker
David Rowsby s

Accounting Working Party

Charles Batchelor*

HM Treasury Joint VAT Consultative Committee

Nic Davison

Company Law and Corporate Governance Working Party

David Hackett s

Corporate Reporting Policy Group

David Hackett s

Council of the Association of Accounting Technicians (AAT)

3rd out of 3 years (1st term) Linda Kumbemba*
2nd out of 3 years (1st term) Kevin Bragg
3rd out of 3 years (3rd) Reg Wood*

American Institute of Certified Public Accountants (AICPA)

Andrew Miskin ipp

University Courts

University of Bath Elaine Richardson
University of Lancaster Richard Kenworthy
Loughborough University Glynn Lowth* pp
University of Surrey Mike Agate
University of Stirling Jim Callander*
University of Cardiff Nigel Davies
City University, London Gulzari Babber* pp

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