

INSTITUTE AND FACULTY OF ACTUARIES

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

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The Institute and Faculty of Actuaries (IFoA) is the UK's only chartered professional body dedicated to educating, developing and regulating actuaries based both in the UK and internationally.

The IFoA regulates and represents over 32,000 members worldwide, overseeing their actuarial education at all stages of qualification and development throughout their careers. We set examinations, continuing professional development, professional codes and disciplinary standards for our members.

These financial statements for the year to 29 February 2024 are a consolidation of the Institute and Faculty of Actuaries (IFoA) and, its wholly owned subsidiaries detailed below. Total revenue for 2024 of £40.1m (Group), (£30.5m IFoA), represents an increase of 6.9% over the 2023 figure of £37.5m (£28.6m IFoA).

The commentary in this financial review relates to the operating activities of the Group.

More details on the activities of the IFoA and its subsidiaries are included in the Annual Review for 2023/24 available on the website. The IFoA have introduced a set revised Governance reforms that establishes an IFoA Board consistent with modern governance standards, and focuses Council on strategic questions such as developing a long-term vision for the future of the profession. This will allow the Executive to run the day-to-day organisation, overseen by a suitably qualified IFoA Board.

The Group income includes the turnover and expenditure for the following subsidiary companies:

- **Institute and Faculty Education Limited** (IFE Ltd) which provides tuition to persons studying for the professional examinations of the IFoA,
- **Continuous Mortality Investigation Limited** (CMI Ltd) which accumulates and analyses data on mortality and morbidity risks arising under life assurance, annuity and pension business, and
- **ICA 98 Limited** which provides services to IFoA members and students based in the Asia Pacific region.

For the associate company shown as an investment - 50% owned joint venture company (with Society of Actuaries):

- **CAA Global Limited** which provides examination services for the Certified Actuarial Analyst qualification.

Below is a summary of the key points from the financial statements and accompanying notes for the year ending 29 February 2024:

Operating Results:

- **Total Revenue:** Increased to £40.1 million in 2024 from £37.5 million in 2023, representing a 6.9% increase.
- **Revenue Sources:** Group revenue sources include: membership subscriptions, practising certificates and admissions fees, examination and exemptions; tuition services; and other income. Subscriptions and examinations being the two main revenue sources for the IFoA.

| Revenue summary – percentage of total revenue (IFoA only) | 2024 | 2023 |
|--|-------------|-------------|
| Subscriptions and fees | 50.8% | 52.0% |
| Pre-qualification learning | 40.5% | 39.7% |
| Post-qualification learning and development | 7.7% | 7.3% |
| Other income including from Investments | 1.0% | 1.0% |

Profit After Taxation: the surplus decreased to £0.5 million in 2024 from £1.7 million in 2023.

Financial Plan:

- **Operational Surplus:** We aim to achieve a year on year operating surplus, before investment in major projects.
- **Investments:** We have continued to invest in a new CRM system, Learning Change Programme, and improvements to our member offering.

Membership Numbers:

- **Qualified Members (Fellows and Associates):** Increased by 2.0% to 17,072.
- **Student Members:** Decreased by 0.5% to 15,408.

Revenue and Expenditure:

- **Subscriptions and Other Revenue:** Increased by £0.6 million to £17.2 million which reflects the growth in qualified members.
- **Pre-Qualification Learning and Development Revenue:** Increased by £1.8 million to £20.5 million due to increased demand for the IFoA examinations.
- **Post-Qualification Learning and Development Revenue:** Increased by £0.3 million to £2.4 million.
- **Employment Costs:** Increased by £1.1 million to £13.3 million which is due to increased numbers of staff (some working on investment projects) and the impact of wage inflation in the UK.
- **Other Operating Charges:** Increased by £3.5 million to £27.0 million due to a combination of general overhead inflation, increase governance costs and investment expenditure.

Financial Position and Cash Flow:

- **Net Assets:** Increased to £15.2 million from £14.4 million in 2023.
- **Cash and Cash Equivalents:** Amounted to £11.3 million.
- **Net Group Cash:** £1.3 million in outflow in 2024 compared to £4.8 million outflow in 2023.
- **Capital Expenditure:** £397,000, relating to investment in the new CRM system.

Risk Management:

The IFoA has a strategic risk register which is reviewed regularly by Council and the Managing Body. Operational and project risk registers are reviewed regularly by risk leads within the organisation. These risk registers include how financial risk management is carried out at the operational level across the IFoA Teams. After a risk review some changes have been made to the structure and reporting to ensure the process of identifying risks and monitoring them remains up to date.

Reserves

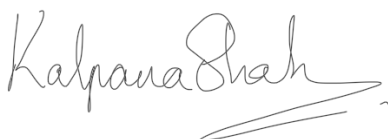
The IFoA holds reserves to: provide working capital to cover seasonal fluctuations in income and expenditure and avoid the need to borrow; meet emergency calls for cash and protect against immediate business interruption; meet foreseeable future commitments; and invest in specific projects such as CRM and Learning Change Programme.

The reserves policy is to hold between 3.5 and 6.5 months of expenditure.

Scottish Endowment Fund:

Following the merger of the Faculty of Actuaries in Scotland and the Institute of Actuaries in 2010 to form the Institute and Faculty of Actuaries it was agreed to create a notional fund of £500k (plus annual interest) to facilitate actuarial activities in Scotland.

- **Remaining Balance:** £39,209 at 29 February 2024, with the purpose of facilitating actuarial activities in Scotland.



Kalpana Shah
President

01 July 2024



Ben Kemp
Chief Executive

01 July 2024

The Council of the Institute and Faculty of Actuaries (“the Council”) is required by the Bye-laws of the Institute and Faculty of Actuaries (“IFoA”) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the IFoA as at the end of the financial year and of the net result, total recognised gains and losses and cash flows for that year.


The Managing Body, through its delegated authority from Council, confirms that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 29 February 2024.

The Managing Body, on behalf of Council, also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The Council and the Managing Body are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the IFoA. It is also responsible for safeguarding the assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each Council and Managing Body Member is aware at the time the report is approved:

- There is no relevant audit information of which the IFoA auditors are unaware;
- Each Council and Managing Body Member has taken all steps that they ought to have taken to be aware of any relevant audit information and to establish that the auditors are aware of that information.



Kalpana Shah
President

01 July 2024



Ben Kemp
Chief Executive

01 July 2024

Independent auditor's report to the Council of the Institute and Faculty of Actuaries

Opinion

We have audited the financial statements of Institute and Faculty of Actuaries (IFoA) for the year ended 29 February 2024 which comprise the Consolidated and IFoA Statement of Income, the Consolidated and IFoA Statement of Comprehensive Income, the Consolidated and IFoA Statement of Financial Position, the Consolidated and IFoA Statement of Changes in Equity, the Consolidated and IFoA Statement of Changes in Cash Flows and the related notes, 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 UK.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the IFoA's affairs as at 29 February 2024 and of the net profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs UK adopted international accounting standards); and
- have been prepared in accordance with the Bye-laws of the IFoA.

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 IFoA in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Council's assessment of the entity's ability to continue to adopt the going concern basis of accounting included review of the IFoA's financial position and cash flow forecasts.

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

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

Other information

The Council are responsible for the other information. The other information comprises the information included in the financial review, 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.

Responsibilities of the Council of the IFoA

As explained more fully in the Statement of the Responsibilities of the Council of the IFoA, set out on page 3, the Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council are responsible for assessing the IFoA's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate 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 it 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.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulation;
- ◆ We identified the laws and regulations applicable to the IFoA through discussions with key management;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the IFoA. These included but were not limited to the IFoA's Royal Charter and Bye-Laws, application of IFRS and applicable accounting regulations, employment legislation and tax legislation; and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of key management and review of minutes of Council meetings.

We assessed the susceptibility of the IFoA's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of key management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;
- ◆ Tested the authorisation of expenditure;
- ◆ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ◆ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ agreeing financial statement disclosures to underlying supporting documentation;
- ◆ reading the minutes of meetings of those charged with governance;
- ◆ enquiring of management as to actual or potential litigation and claims; and
- ◆ reviewing correspondence with the IFoA's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Council Members and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Use of our report

This report is made solely to the IFoA's Council. Our audit work has been undertaken so that we might state to the IFoA's Council those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the IFoA and the IFoA's Council as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzcott LLP (Senior Statutory Auditor)
For and on behalf of Buzzcott LLP, Statutory Auditors
130 Wood Street
London
EC2V 6DL

Date: 4 July 2024

Institute and Faculty of Actuaries
Consolidated Statement of Income
for the year ended 29 February 2024

| | Notes | 2024 | | 2023 | |
|---|-------|-----------------|-----------------|-----------------|-----------------|
| | | Group £000 | IFoA £000 | Group £000 | IFoA £000 |
| Revenue | | | | | |
| Subscriptions and other operating income | 4 | 17,217 | 15,652 | 16,610 | 15,024 |
| Pre-qualification learning and development | 5 | 20,511 | 12,496 | 18,739 | 11,483 |
| Post-qualification learning and development | | 2,364 | 2,364 | 2,119 | 2,119 |
| | | <u>40,092</u> | <u>30,512</u> | <u>37,468</u> | <u>28,626</u> |
| Expenditure | | | | | |
| Employment costs | 6 | (13,292) | (12,847) | (12,244) | (11,847) |
| Other operating charges | 7 | (26,997) | (17,617) | (23,518) | (15,214) |
| | | <u>(40,289)</u> | <u>(30,464)</u> | <u>(35,762)</u> | <u>(27,061)</u> |
| Operating (Deficit) / Profit | 8 | (197) | 48 | 1,706 | 1,565 |
| Finance and other income | 9 | 508 | 471 | 299 | 286 |
| Lease Liability Interest | 22 | (44) | (44) | (126) | (126) |
| Profit on disposal of financial assets | 14 | 709 | 709 | - | - |
| Share of losses of Joint Venture | 16 | (78) | (78) | (69) | (69) |
| Profit before tax | | 898 | 1,106 | 1,810 | 1,656 |
| Taxation | 10 | (359) | (382) | (60) | (57) |
| Profit for the year | | <u>539</u> | <u>724</u> | <u>1,750</u> | <u>1,599</u> |

Statement of Comprehensive Income for the year ended 29 February 2024

| | Notes | 2024 | | 2023 | |
|--|-------|---------------|--------------|---------------|--------------|
| | | Group £000 | IFoA £000 | Group £000 | IFoA £000 |
| Profit for the year | | 539 | 724 | 1,750 | 1,599 |
| Other Comprehensive Income | | | | | |
| Unrealised loss on revaluation of investments | 14 | - | - | (1,038) | (1,038) |
| Movement in Endowment Fund | | (20) | (20) | (11) | (11) |
| Movement in Deferred Tax for the year | 11 | 268 | 268 | (8) | (8) |
| Other comprehensive (expenditure) for the year net of tax | | 248 | 248 | (1,057) | (1,057) |
| Total comprehensive income for the year | | <u>787</u> | <u>972</u> | <u>693</u> | <u>542</u> |

Institute and Faculty of Actuaries
Consolidated Statement of Financial Position
for the year ended 29 February 2024

| | Notes | 2024 | | 2023 | |
|-------------------------------------|-------|-----------------|-----------------|-----------------|-----------------|
| | | Group £000 | IFoA £000 | Group £000 | IFoA £000 |
| Non-current assets | | | | | |
| Property, plant and equipment | 12 | - | - | 382 | 382 |
| Lease Asset | 12 | 967 | 967 | 1,027 | 1,027 |
| Intangible assets | 13 | 838 | 838 | 517 | 517 |
| Available for sale financial assets | 14 | 10,994 | 10,994 | 9,641 | 9,641 |
| Historical assets | 15 | 1,385 | 1,385 | 1,375 | 1,375 |
| | | <u>14,184</u> | <u>14,184</u> | <u>12,942</u> | <u>12,942</u> |
| Current assets | | | | | |
| Inventories | | 1 | 1 | 6 | 6 |
| Trade and other receivables | 17 | 7,814 | 6,343 | 3,084 | 1,882 |
| Short Term Notice (>3months) | 10 | 2,893 | 2,364 | 6,506 | 5,776 |
| Cash and cash equivalents | 21 | 11,308 | 10,306 | 11,897 | 10,730 |
| | | <u>22,016</u> | <u>19,014</u> | <u>21,493</u> | <u>18,394</u> |
| Total assets | | 36,200 | 33,198 | 34,435 | 31,336 |
| Current liabilities | | | | | |
| Trade and other payables | 18 | (3,265) | (2,114) | (3,297) | (2,101) |
| Investment in associate | 16 | (147) | (147) | (69) | (69) |
| Contract Liabilities | 20 | (16,153) | (14,891) | (14,624) | (13,520) |
| Lease Liability | 22 | (181) | (181) | (515) | (515) |
| Corporation tax | 10 | (359) | (382) | (2) | - |
| | | <u>(20,105)</u> | <u>(17,715)</u> | <u>(18,507)</u> | <u>(16,205)</u> |
| Non-current liabilities | | | | | |
| Deferred taxation | 11 | - | - | (268) | (268) |
| Lease Liability | 19,22 | (874) | (874) | (709) | (709) |
| Dilapidations | 19 | - | - | (517) | (517) |
| | | <u>(874)</u> | <u>(874)</u> | <u>(1,494)</u> | <u>(1,494)</u> |
| Total liabilities | | (20,979) | (18,589) | (20,001) | (17,699) |
| Net assets | | 15,221 | 14,609 | 14,434 | 13,637 |
| Reserves | | | | | |
| General fund | | 14,657 | 14,045 | 13,786 | 12,989 |
| Investment revaluation reserve | | 564 | 564 | 648 | 648 |
| | | <u>15,221</u> | <u>14,609</u> | <u>14,434</u> | <u>13,637</u> |

The financial statements on pages 7 to 22 were approved and authorised for issue by the Managing Body on behalf of Council on 01 07 2024 and signed on its behalf by:



Kalpana Shah
President

01 July 2024



Ben Kemp
Chief Executive

01 July 2024

| Group and IFoA | Investment | | Total |
|---|---------------------|----------------------------|---------------|
| | General Fund | Revaluation Reserve | |
| | £000 | £000 | £000 |
| Balance as at 1 March 2022 | 12,047 | 1,694 | 13,741 |
| Profit for the year | 1,750 | - | 1,750 |
| Other comprehensive expenditure | (11) | (1,046) | (1,057) |
| Balance as at 1 March 2023 | 13,786 | 648 | 14,434 |
| Profit for the year | 539 | - | 539 |
| Other comprehensive expenditure | (20) | 268 | 248 |
| Release of prior Investment reserve on disposal | 352 | (352) | |
| Total comprehensive (expenditure) / income | 871 | (84) | 787 |
| Balance as at 1 March 2024 | 14,657 | 564 | 15,221 |

| IFoA | Investment | | Total |
|---|---------------------|----------------------------|---------------|
| | General Fund | Revaluation Reserve | |
| | £000 | £000 | £000 |
| Balance as at 1 March 2022 | 11,401 | 1,694 | 13,095 |
| Profit for the year | 1,599 | - | 1,599 |
| Other comprehensive expenditure | (11) | (1,046) | (1,057) |
| Balance as at 1 March 2023 | 12,989 | 648 | 13,637 |
| Profit for the year | 724 | | 724 |
| Other comprehensive expenditure | (20) | 268 | 248 |
| Release of prior Investment reserve on disposal | 352 | (352) | |
| Total comprehensive (expenditure) / income | 1,056 | (84) | 972 |
| Balance as at 1 March 2024 | 14,045 | 564 | 14,609 |

Institute and Faculty of Actuaries
Consolidated Statement of Changes in Cash Flow
for the year ended 29 February 2024

| | Notes | 2024 | | 2023 | |
|---|-------|----------------|----------------|----------------|----------------|
| | | Group £000 | IFoA £000 | Group £000 | IFoA £000 |
| Cash flow (used in) provided by operating activities | | | | | |
| Profit for the year | | 539 | 724 | 1,750 | 1,599 |
| Depreciation - Tangible Assets | 12 | 792 | 792 | 848 | 848 |
| Amortisation - Intangible Assets | 13 | 76 | 76 | 12 | 12 |
| Finance income | | (508) | (471) | (299) | (286) |
| Lease Liability Interest and disposal | | 107 | 107 | 329 | 329 |
| Current Tax charge | 10 | 359 | 382 | (28) | - |
| Profit on disposal of investments | 14 | (709) | (709) | | |
| Dilapidations | 19 | (517) | (517) | (261) | (261) |
| Joint Venture Impairment | 16 | 78 | 78 | 69 | 69 |
| Decrease in inventories | | 5 | 5 | 7 | 7 |
| Increase in receivables | | (4,730) | (4,461) | (352) | (447) |
| Decrease/ (increase) in creditors and contract liabilities | | 872 | 737 | (1,639) | (1,730) |
| Cash (used in) provided by operating activities | | (3,636) | (3,257) | 436 | 140 |
| Taxation | | (23) | - | 2 | 57 |
| Net cash from operating activities | | (3,659) | (3,257) | 438 | 197 |
| Cash flow from investing activities | | | | | |
| Finance income received | 9 | 508 | 471 | 299 | 286 |
| Dividends reinvested | 14 | (148) | (148) | (206) | (206) |
| Purchase of Historical Assets | 15 | (10) | (10) | - | - |
| Purchase of available for sale assets | 14 | (6,424) | (6,424) | - | - |
| Sale of assets for resale | 16 | 10,955 | 10,955 | - | - |
| Implementation of CRM asset | 13 | (397) | (397) | 359 | 359 |
| Movement on cash held by Investment Manager | | (5,027) | (5,027) | - | - |
| Movement on Short Term Deposits | | 3,613 | 3,413 | (6,506) | (5,776) |
| Cash (used in) Investing activities | | 3,070 | 2,833 | (6,054) | (5,337) |
| Net (decrease) in cash and cash equivalents | | (589) | (424) | (5,616) | (5,140) |
| Cash and cash equivalents at 1 March 2023 | | 11,897 | 10,730 | 17,513 | 15,870 |
| Cash and cash equivalents at 29 February 2024 | | 11,308 | 10,306 | 11,897 | 10,730 |
| Cash and cash equivalents at 29 February 2024 | | 11,308 | 10,306 | 11,897 | 10,730 |
| Net Debt Reconciliation | | | | | |
| Cash and cash equivalents at 29 February 2024 | | 11,308 | 10,306 | 11,897 | 10,730 |
| Lease Commitment | 22 | (1,055) | (1,055) | (1,224) | (1,224) |
| | | 10,253 | 9,251 | 10,673 | 9,506 |

1. General Information

The Institute and Faculty of Actuaries (IFoA) is a professional body incorporated under Royal Charter, 1-3 Staple Inn Hall, High Holborn, London, WC1V 7QH. The financial statements comply with International Financial Reporting Standards (IFRS) as adopted by the UK adopted international accounting standards.

2. Basis of preparation

The financial statements are prepared in accordance with the Bye-laws of the IFoA and IFRS as adopted by the UK. The financial statements are prepared in sterling and rounded to the nearest thousand pounds.

Adoption of new and revised standards

There are no new or amended IFRS effective for the current year that apply to IFoA.

At the date of authorisation of these financial statements, there are no new standards or interpretations that have been issued which IFoA has not applied.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 29 February 2024 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. Significant Accounting Policies

a) Basis of consolidation

Where the IFoA has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the IFoA and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated. Further details are included in note 16.

b) Foreign currencies

Transactions in foreign currencies are converted into sterling, which is the reporting currency of the group, at exchange rates ruling at the date of the transaction. Foreign exchange gains and losses resulting from settlement are recognised in the income statement.

c) Revenue recognition

Subscription income, Certificate fees and Designated Professional Body regulatory fees have been apportioned over the periods to which they relate. The subscription year ends on 30 September.

Revenue received from Events, Examinations and Tuition activities is recognised by reference to the date that services are provided. Deferred income from these activities represents amounts invoiced but not yet earned and deferred expenditure represents expenditure incurred that is matched to relevant deferred income. Interest revenue is recognized and recorded in the financial statements when it's earned.

d) Leases

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. Significant Accounting Policies (cont.)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- a) Fixed lease payments (including in-substance fixed payments), less any lease incentives.

The lease liability is included in Payables in the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the tangible fixed assets in the Statement of Financial Position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment losses.

e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of the assets over their estimated useful lives and assume nil residual value. IT equipment, furniture and fittings over £2,000 and the leasehold property is depreciated over the life of the lease.

f) Intangible Asset

The Intangible Asset is the cost of the title of the Actuary Magazine and the direct third-party costs of bringing a significant computer system into use. Amortisation is charged on a straight-line basis on the estimated useful economic life of the asset of 20 years for the actuary magazine and over 5 years for the significant computer systems. The impairment of Intangible assets is considered annually, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable and provisions made where necessary.

g) Inventories

Inventories are valued at historical cost less amounts written off in respect of diminution in value.

h) Taxation including deferred taxation

The tax currently payable is based on the total taxable profit for the year which relates to investment income. Taxable profit differs from the profit as reported in the Income Statement because it includes items of income and expenditure that are taxable or deductible in other years and further includes items that are never taxable or deductible.

Deferred tax is provided at the substantive adapted rate applicable at the balance sheet date on any gain in investment values at the balance sheet date and adjusted on a yearly basis.

3. Significant Accounting Policies (cont.)

i) Financial assets

Investments available for sale

Interest-bearing investments, equities and unit trusts held for the purposes of generating long-term investments income are treated as non-current investments available for sale and are included at market value at the year-end date. Gains and losses on re-measurement are taken to the investment revaluation reserve initially and are recognised in the statement of comprehensive income. On disposal, the cumulative gain or loss previously recognised in reserves is reclassified to profit or loss.

The IFoA invests a significant portion of its cash reserves in a mixture of government and investment grade bonds (75%) as well as UK and World stock market index tracking investments (the balance of 25%). The aim of this policy is to try to make these reserves retain value after the impact of inflation. The value of these investments at the balance sheet date is £10.9m (2023: £9.6m).

Other Investments

The historical assets collection contains a number of books and documents illustrating the application of actuarial science throughout history. These are reported in the financial statements based on market value. These assets are determined by Council to have indeterminate lives and high residual value therefore it is not considered appropriate to charge depreciation. The collection is valued by external experts every 5 years, and was most recently revalued in December 2019.

j) Impairment

Where there is a significant or prolonged decline in the fair value of an available for sale financial asset or investment in an associate (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognised in other comprehensive income, is recognised in profit or loss.

k) Dilapidations

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision is made for an estimate of dilapidations costs on leasehold properties in relation to both repairs and reinstatement relating to conditions in place at the reporting date. There are no dilapidations on current leases.

l) Retirement benefits

Defined Contribution Scheme

Employer contributions to the defined contribution personal pension plan are charged to the income and expenditure statement as incurred.

m) Associate

Investments in associates are accounted for using the equity method. IFoA's interest in the net assets of their associate is included in investment in associate in the consolidated statement of financial position, and its interest in their results, in the consolidated income statement below the operating result. The associate is an entity over which the IFoA has significant influence to participate in, but not control over, the financial and operating policies of the company.

n) Going Concern

The financial statements have been prepared on a going concern basis. The Group continues to generate sufficient working capital whilst making a surplus in 2023/24. The Council believe that the Group will continue to generate cash from its operations in the foreseeable future and therefore consider it appropriate to prepare the accounts under the going concern assumption.

3. Significant Accounting Policies (cont.)

o) Financial risk management

Currency risk

The majority of IFoA transactions are carried out in sterling. The organisation does not currently hedge against currency exchange movements.

Liquidity, credit and interest rate risk

Liquidity risk arises from the IFoA's management of working capital. It is the risk that the IFoA will encounter difficulty in meeting its financial obligations as they fall due. IFoA receives the majority of its income as subscriptions in the three months from August to October, or as exam fees relating to two exam sessions each year. Cash not required for short-term operating purposes is invested to maximise return with an acceptable level of risk.

Cash surpluses are invested in interest bearing current and call accounts and also a number of term deposits with major banks. At the balance sheet date IFoA held cash and cash equivalents (< 3 months) £11.3m (2023: £11.9m) and short term deposits (>3 months) £2.9m (2023: £6.5m).

As a result of holding investments as cash deposits with financial institutions, the IFoA is exposed to interest rate fluctuations. These investments are spread to avoid excessive concentration in any specific institution and are monitored on a regular basis.

Equity price risk

Equity risk arises from the fluctuations in the market price of the investments available for sale. The IFoA does not actively trade in these investments, although as noted under i) Financial Assets does hold investments available for sale.

Other Risks

As well as Equity Risk, our investment portfolio is subject to Interest Rate, Bond Spread and Currency Risks.

p) Cash and Cash Equivalents

Cash and cash equivalents are held for <3months and short term deposits for > 3 months, invested to maximise return with an acceptable level of risk.

q) Critical accounting estimates and judgements

The IFoA are required to make critical accounting estimates and judgements in the preparation of the financial statements, namely:

i) Depreciation and amortisation: Depreciation and amortisation is charged so as to write off the cost or valuation of the assets over their estimated useful lives and assume nil residual value. IT equipment, furniture and fittings over £2,000 and the Website are depreciated on a straight line basis over 4 years, leasehold property is depreciated over the life of the lease, the Actuary Magazine is depreciated over 20 years and the computer systems over 5 years.

ii) Discount rate for IFRS 16: The Group has used a discount rate of 4% on the lease liabilities having considered that 4% is the expected rate of external borrowing. This has been based on advice provided by NatWest as to the expected rate of borrowing the IFoA could obtain.

iii) Impairment of Investments: Investments are reviewed on a yearly basis and a judgement made on any change in value. The value of the investments held on the balance sheet may be either on the basis of a professional valuation (historical books), market prices (financial assets) or discounted future cash flows (investments in subsidiaries or associates).

iv) In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision is made for an estimate of dilapidations costs on the three leasehold properties in relation to both repairs and reinstatement relating to conditions in place at the reporting date.

v) Estimating future cash flows for the purpose of assessing going concern.

4. Subscriptions and other income

| | 2024 | | 2023 | |
|---|---------------|---------------|---------------|---------------|
| | Group £000 | IFoA £000 | Group £000 | IFoA £000 |
| Subscriptions, admissions, certificate fees | 15,130 | 15,130 | 14,570 | 14,570 |
| Income from research (CMI Limited) | 1,565 | - | 1,586 | - |
| Designated Professional Body regulation | 389 | 389 | 301 | 301 |
| Royalties | 55 | 55 | 70 | 70 |
| Management service fees | 16 | 16 | 16 | 16 |
| List of actuarial advisors | 10 | 10 | 11 | 11 |
| Disciplinary fines | 15 | 15 | 54 | 54 |
| Other Income | 37 | 37 | 2 | 2 |
| | 17,217 | 15,652 | 16,610 | 15,024 |

5. Pre-qualification learning and development

| | 2024 | | 2023 | |
|-------------------|---------------|---------------|---------------|---------------|
| | Group £000 | IFoA £000 | Group £000 | IFoA £000 |
| Examinations | 19,224 | 11,209 | 17,131 | 9,875 |
| Exemptions | 1,093 | 1,093 | 1,384 | 1,384 |
| Tuition materials | 194 | 194 | 224 | 224 |
| | 20,511 | 12,496 | 18,739 | 11,483 |

6. Employment costs

| | 2024 | | 2023 | |
|-----------------------|-----------------|-----------------|-----------------|-----------------|
| | Group £000 | IFoA £000 | Group £000 | IFoA £000 |
| Wages and salaries | (10,847) | (10,402) | (9,911) | (9,514) |
| Social security costs | (1,228) | (1,228) | (1,184) | (1,184) |
| Pension costs | (1,217) | (1,217) | (1,149) | (1,149) |
| | (13,292) | (12,847) | (12,244) | (11,847) |

The number of staff employed by the group at 29 February 2024 was 177 (2023: 171). The number of staff employed by the IFoA at 29 February 2024 was 171 (2023:166) and termination benefits of £82k (2023:£17k) were paid during the year.

6. Employment costs (cont.)

The remuneration of the Chief Executive and other Executive Directors for the financial year ended 29 February 2024 is disclosed below:

| | IFoA 2024 | IFoA 2023 | IFoA 2024 | IFoA 2023 |
|-------------------------|----------------------|----------------------|--------------------------------------|--------------------------------------|
| | (Chief Executive) | (Chief Executive) | Executive Directors (excl. CE) | Executive Directors (excl. CE) |
| | £000 | £000 | £000 | £000 |
| Short-term benefits | 258 | 279 | 994 | 994 |
| Bonus | 40 | 48 | 167 | 177 |
| Post-employment benefit | 15 | - | 104 | 121 |
| | 313 | 327 | 1,265 | 1,292 |

The Remuneration Committee reviewed, on behalf of the Managing Body and Council, the objectives, the achievement of those objectives and remuneration package of the Chief Executive. Executive salaries are benchmarked against market salary levels, as assessed by an independent external provider. The number of Directors (excluding Chief Executive) employed at 29 February 2024 was 6 (2023:6). Stephen Mann resigned as CEO in September 2023 and Ben Kemp was appointed as Interim CEO in October 2023. The CEO remuneration figures for 2023/24 relate to both postholders.

7. Other operating charges

| | 2024 | | 2023 | |
|---|-----------------|-----------------|-----------------|-----------------|
| | Group £000 | IFoA £000 | Group £000 | IFoA £000 |
| Central activities | (8,232) | (8,678) | (7,607) | (8,006) |
| Pre-qualification learning and development | (12,592) | (4,578) | (11,008) | (3,752) |
| Post-qualification learning and development | (1,906) | (1,906) | (1,377) | (1,377) |
| Participation in other bodies | (1,221) | (1,221) | (1,182) | (1,182) |
| Learned society and research | (1,813) | (1) | (1,540) | (93) |
| Professional / ethical standards | (815) | (815) | (383) | (383) |
| Member services | (291) | (291) | (341) | (341) |
| Practice areas and member interest groups | (112) | (112) | (63) | (63) |
| Designated Professional Body Regulation | (15) | (15) | (17) | (17) |
| | (26,997) | (17,617) | (23,518) | (15,214) |

8. Operating Profit

The Group and IFoA operating profit is stated after charging:

| | 2024 Group £000 | 2023 Group £000 |
|---|-----------------------|-----------------------|
| Employment costs | (13,292) | (12,244) |
| Depreciation | (792) | (846) |
| Amortisation of intangibles | (76) | (12) |
| President's and Council Members' expenses | (131) | (118) |
| Audit fees | (127) | (83) |
| Committee Expenses | (45) | (23) |

9. Finance and other income

| | 2024 Group £000 | 2024 IFoA £000 | 2023 Group £000 | 2023 IFoA £000 |
|-----------------------------------|-----------------------|----------------------|-----------------------|----------------------|
| Bank interest | 360 | 323 | 93 | 80 |
| Interest from investment deposits | - | - | 1 | 1 |
| Dividends from investments | 148 | 148 | 205 | 205 |
| | <u>508</u> | <u>471</u> | <u>299</u> | <u>286</u> |

10. Taxation

The IFoA is charged corporation tax on its investment income only. CMI Limited is charged corporation tax on income arising from subscribers and transactions with parties other than its subscribers. ICA98 Ltd and IFE Ltd did not attract any taxation for corporation tax purposes in the financial year 29 February 2024.

| | 2024 Group £000 | 2024 IFoA £000 | 2023 Group £000 | 2023 IFoA £000 |
|---|-----------------------|----------------------|-----------------------|----------------------|
| Current tax | 382 | 382 | 28 | - |
| Prior year under/(over) provision | (23) | - | (26) | (57) |
| Tax on surplus / (loss) on ordinary activities | <u>359</u> | <u>382</u> | <u>2</u> | <u>(57)</u> |
| Surplus before tax | 898 | 1,106 | 1,810 | 1,656 |
| Tax at the UK corporation tax rate of 19% | - | - | 344 | 315 |
| Tax at the UK corporation tax rate of 25% | 225 | 277 | - | - |
| Effects of non-taxable items | (584) | (659) | (404) | (372) |
| | <u>(359)</u> | <u>(382)</u> | <u>(60)</u> | <u>(57)</u> |

11. Movement in Deferred taxation

| | 2024 Group £000 | 2024 IFoA £000 | 2023 Group £000 | 2023 IFoA £000 |
|--|-----------------------|----------------------|-----------------------|----------------------|
| Balance at 1st March | 268 | 268 | 260 | 260 |
| Deferred tax on fair value movement on available for sale assets | (268) | (268) | 8 | 8 |
| Balance at 29th February | <u>-</u> | <u>-</u> | <u>268</u> | <u>268</u> |

12. Property, plant and equipment – Group and IFoA

| | Leasehold Property | IT Equipment | Fixtures & fittings | Website | Property Plant Equip Subtotal | Lease Assets | Total |
|---|-----------------------|-----------------|------------------------|---------|-------------------------------------|-----------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Cost or valuation: | | | | | | | |
| as at 1 March 2023 | 2,028 | 622 | 537 | 438 | 3,625 | 3,300 | 6,925 |
| Additions | - | - | - | - | - | 372 | 372 |
| Disposals | (2,028) | (622) | (537) | (438) | (3,625) | (2,095) | (5,720) |
| as at 29 February 2024 | - | - | - | - | - | 1,577 | 1,577 |
| Depreciation: | | | | | | | |
| as at 1 March 2023 | 1,646 | 622 | 537 | 438 | 3,243 | 2,273 | 5,516 |
| Provided in year | 382 | - | - | - | 382 | - | 382 |
| Depreciation on Financed Asset | - | - | - | - | - | 410 | 410 |
| Disposals | (2,028) | (622) | (537) | (438) | (3,625) | (2,073) | (5,698) |
| as at 29 February 2024 | - | - | - | - | - | 610 | 610 |
| Net Book Value at 28 February 2023 | 382 | - | - | - | 382 | 1,027 | 1,409 |
| Net Book Value at 29 February 2024 | - | - | - | - | - | 967 | 967 |

13. Intangible assets – Group and IFoA

| | IFoA Actuary Magazine £000 | IFoA CRM £000 | IFoA Totals £000 |
|---|-------------------------------------|---------------------|------------------------|
| Cost or valuation: | | | |
| as at 1 March 2023 | 250 | 359 | 609 |
| Additions | - | 397 | 397 |
| Disposals | - | - | - |
| as at 29 February 2024 | 250 | 756 | 1,006 |
| Accumulated amortisation | | | |
| as at 1 March 2023 | 92 | - | 92 |
| Charge for the year | 12 | 64 | 76 |
| Disposals | - | - | - |
| as at 29 February 2024 | 104 | 64 | 168 |
| Net Book Value at 28 February 2023 | 158 | 359 | 517 |
| Net Book Value at 29 February 2024 | 146 | 692 | 838 |

14. Available for sale financial assets – Group and IFoA

| | 2024 | 2023 |
|--|----------------------|--------------|
| | Group | Group |
| | £000 | £000 |
| as at 1 March | 9,641 | 10,473 |
| Dividends/Interest reinvested | 148 | 206 |
| Disposals | (10,955) | - |
| Unrealised loss on revaluation | - | (1,038) |
| Additions | 6,424 | - |
| Realised gain on disposal | 709 | - |
| Investments as at 29 February | <u>5,967</u> | <u>9,641</u> |
| Available Cash in funds for Investment as at 29 February | <u>5,027</u> | <u>-</u> |
| | <u>10,994</u> | <u>9,641</u> |

| | 2024 | 2023 |
|---|--------------|-------|
| | Group | Group |
| | £000 | £000 |
| Concentration of Investments | | |
| UK Government Bond Index Fund | 0% | 10% |
| UK Invest Grade Bond Index Fund | 0% | 49% |
| FTSE Developed World ex- UK Equity index Fund | 0% | 33% |
| FTSE UK All Share Index Unit Acc | 0% | 8% |
| UK Equity | 64% | - |
| Overseas Equity | 36% | - |

All the investments are denominated in sterling and are publicly traded in the UK. Fair values have been determined by reference to Stock Exchange quoted bid prices at the close of business on the balance sheet date. The historical cost of listed investments at 29 February 2024 was £5.9m (2023: £9.3m). The investments reflect the decision by IFoA to invest reserves in a mix of investment grade bonds and other stock market pooled funds. The aim is to minimise the impact of inflation on these investments, whilst earning a return more than holding cash on deposits in the current low interest rate environment. The holdings are reviewed by the Managing Body on a regular basis.

15. Historical assets – Group and IFoA

The historical books were revalued in December 2019 by Pickering & Chatto, Antiquarian Booksellers.

| | 2024 | 2023 |
|---|---------------------|--------------|
| | Group | Group |
| | £000 | £000 |
| as at 1 March | 1,375 | 1,375 |
| Additions | 10 | - |
| Unrealised gain / (loss) on revaluation | - | - |
| as at 29 February | <u>1,385</u> | <u>1,375</u> |

16. Interests in subsidiaries and associate companies

The IFoA has three 100% owned subsidiary undertakings and one associate.

The IFoA owns ten £1 ordinary shares comprising 100% of the issued share capital of Institute and Faculty Education Limited ("IFE"), a company incorporated in Great Britain, which provides tuition to persons studying for the professional examinations of the IFoA. Under the terms of an agreement dated 25 July 1995 IFE appointed Actuarial Education Company Limited ("ActEd"), a wholly owned subsidiary of BPP Actuarial Education Limited, to provide tuition services. ActEd makes a charge to IFE for such services equivalent to IFE's income. The results of IFE for the year to 29 February 2024 are included in the consolidated accounts.

The IFoA owns one £1 ordinary share comprising 100% of the issued share capital of Continuous Mortality Investigation Limited ("CMI Limited"), a company incorporated in England and Wales, which was established to take on the transfer of the unincorporated association Continuous Mortality Investigation on 1 March 2013. CMI Limited has been accumulating and analysing data on mortality and morbidity risk arising under life, annuity and pension business for 100 years. The results for CMI Limited for the year to 29 February 2024 are included in the consolidated accounts.

The IFoA owns ten £1 ordinary shares comprising 100% of the issued share capital of ICA 98 Limited, a company incorporated in England and Wales. ICA 98 Limited provides services to IFoA members and students based in the Asia Pacific Area from offices in Beijing and Singapore. The results for ICA 98 Limited for the year to 29 February 2024 are included in the consolidated accounts.

The IFoA owns one £1 share comprising of 50% of the issued share capital of CAA Global Limited, a company incorporated in England and Wales. CAA Global Limited provides examination for the Certified Actuarial Analyst qualification and its marketing and support globally. The other 50% of the issued share capital is owned by the Society of Actuaries an American based actuarial membership body. Under the equity method of accounting for an associate company the losses of CAA Global Ltd are deducted from the value of the investment at Group level only.

The value of the investments by IFoA in CAA Global Limited is shown as the investment in joint venture adjusted for any impairment in that value relating to its trading activities for the 12 months to 31st December 2023 as shown below:

Investment in Associate

| | 2024 | 2024 | 2023 | 2023 |
|----------------------------------|--------------|-------------|-------------|-------------|
| CAA Global Ltd: 50% Shareholding | Group | IFoA | Group | IFoA |
| | £000 | £000 | £000 | £000 |
| Share of loss at Group Level: | <u>(78)</u> | <u>(78)</u> | <u>(69)</u> | <u>(69)</u> |
| Net Value : | <u>(78)</u> | <u>(78)</u> | <u>(69)</u> | <u>(69)</u> |

17. Trade and other receivables

| | 2024 | | 2023 | |
|--------------------------------|---------------|--------------|---------------|--------------|
| | Group £000 | IFoA £000 | Group £000 | IFoA £000 |
| Trade receivables | 711 | 378 | 782 | 508 |
| Amounts owed by subsidiaries | - | 213 | - | 277 |
| Prepayments and accrued income | 1,187 | 1,187 | 1,044 | 1,044 |
| Deferred expenditure | 1,262 | - | 1,104 | - |
| Vanguard Investment | 4,378 | 4,378 | - | - |
| Other receivables | 276 | 187 | 154 | 53 |
| | 7,814 | 6,343 | 3,084 | 1,882 |

18. Trade and other payables due in less than one year

| | 2024 | | 2023 | |
|------------------------------------|---------------|--------------|---------------|--------------|
| | Group £000 | IFoA £000 | Group £000 | IFoA £000 |
| Trade payables | 1,370 | 219 | 1,771 | 573 |
| Amounts owed to subsidiaries | - | - | - | - |
| Taxation and social security costs | 328 | 328 | 298 | 298 |
| Amounts held on behalf of members | 68 | 68 | 80 | 80 |
| Accruals | 1,499 | 1,499 | 1,148 | 1,150 |
| | 3,265 | 2,114 | 3,297 | 2,101 |

19. Payables due in greater than one year

| | 2024 | | 2023 | |
|--------------------------------------|---------------|--------------|---------------|--------------|
| | Group £000 | IFoA £000 | Group £000 | IFoA £000 |
| Lease Liabilities due after one year | 874 | 874 | 709 | 709 |
| Dilapidations | - | - | 517 | 517 |
| | 874 | 874 | 1,226 | 1,226 |

20. Contract Liabilities

| | 2024 | | 2023 | |
|----------------------------|---------------|---------------|---------------|---------------|
| | Group £000 | IFoA £000 | Group £000 | IFoA £000 |
| Subscriptions | 8,328 | 8,328 | 7,657 | 7,657 |
| Tuition fees | 1,262 | - | 1,104 | - |
| Examination fees | 5,912 | 5,912 | 5,300 | 5,300 |
| Events fees | 4 | 4 | - | - |
| Practising certificates | 563 | 563 | 430 | 430 |
| Other contract liabilities | 84 | 84 | 133 | 133 |
| | 16,153 | 14,891 | 14,624 | 13,520 |

21. Cash and cash equivalents

| | 2024 | | 2023 | |
|--|---------------|---------------|---------------|---------------|
| | Group £000 | IFoA £000 | Group £000 | IFoA £000 |
| Cash and cash equivalents(<3months notice) | 11,308 | 10,306 | 11,897 | 10,730 |
| Short Term Deposits (>3 months notice) | 2,893 | 2,364 | 6,506 | 5,776 |
| | <u>14,201</u> | <u>12,670</u> | <u>18,403</u> | <u>16,506</u> |

22. Leases

Group as a lessee

The group has leasing arrangements for their operations.

Lease liabilities are due as follows:

| | 2024 | 2023 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Not later than one year | 181 | 515 |
| Between one year and five years | 874 | 709 |
| Balance at 29 February 2024 | <u>1,055</u> | <u>1,224</u> |

Contractual undiscounted cash flows are due as follows:

| | 2024 | 2023 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Not later than one year | 223 | 559 |
| Between one year and five years | 969 | 950 |
| Balance at 29 February 2024 | <u>1,192</u> | <u>1,509</u> |

There is not considered to be any significant liquidity risk by the Group in respect of leases.

The following amounts in respect of leases, where the Group is a lessee, have been recognised in profit or loss

| | 2024 | 2023 |
|---------------------------------------|-----------|------------|
| | £'000 | £'000 |
| Interest expense on lease liabilities | <u>44</u> | <u>126</u> |

23. Related party disclosures

Council members occasionally get paid a fee for work in connection with the IFoA's educational courses and examinations in the same way and at the same rates as other members, but this has no bearing on their being a Council member.

As at 29 February 2024 IFoA was owed £0 (2023: £2,761) from revenue received and owed expenditure paid £1,695 (2023:£6,164) on behalf of the IFoA Foundation, the charity of the Institute and Faculty of Actuaries.