



Institute
and Faculty
of Actuaries

INSTITUTE AND FACULTY OF ACTUARIES

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2025

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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 34,000 members worldwide, overseeing their actuarial education at all stages of qualification and development throughout their careers. We set examinations and provide continuing professional development, professional codes and disciplinary standards for our members.

These financial statements for the year to 28 February 2025 are a consolidation of the IFoA and its wholly owned subsidiaries (detailed below). Total revenue for 2025 of £41.8 million (group), (£33.2 million IFoA), represents an increase of 4.3% over the 2024 figure of £40.1 million (£30.5 million 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 a separate document, Annual Report for 2024/25, which is published on the IFoA website.

Governance

The Council of the IFoA has ultimate authority for the governance and control of the organisation. Under governance changes implemented during the first half of 2024, Council has delegated to the IFoA Board responsibility for the day to day operation of the IFoA. Council remains responsible for creating a long-term vision for the profession which represents the views of IFoA members and articulates to the IFoA Board what IFoA members need from their professional body to be successful in terms of member experience, thought leadership, education, learning and regulation. Council members are elected by the Fellows, Honorary Fellows, and Associates of the Institute and Faculty of Actuaries (IFoA).

The IFoA Board is responsible for how this vision is delivered, alongside overseeing the ongoing operations of the organisation. This will allow the Executive to run the day-to-day organisation, overseen by a suitably qualified IFoA Board. Selection for the IFoA Board is a competency-based process run by a Board Appointments Committee, with final ratification of appointments reserved to Council.

More details on the governance of the IFoA are included in a separate document, Corporate Governance Statement for 2024/25, which is published on the IFoA website.

Financial results for the year

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.

Group income does not include turnover and expenditure for CAA Global Limited, an associate company owned 50% by IFoA and 50% by the Society of Actuaries. This company 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 ended 28 February 2025:

Operating Results:

- **Total Revenue:** Increased to £41.8 million in 2025 from £40.1 million in 2024, representing a 4.3% 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 are the two main revenue sources for the IFoA.

	2025	2024
Revenue summary – percentage of total revenue (IFoA only)		
Subscriptions and fees	50.6%	50.6%
Pre-qualification learning	40.6%	40.3%
Post-qualification learning and development	7.2%	7.6%
Other income including from Investments	1.6%	1.5%

- **Surplus After Taxation:** the surplus increased to £2.1 million from £0.5 million in 2024.

Financial Plan:

The IFoA has a medium-term financial plan which covers the next five years. This plan has been updated to reflect the post balance sheet event around examination security (see below) and will be further updated to reflect the agreed 2026 – 2029 three-year strategy. In planning for future years, 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, new finance system and improvements to our member offering, and intend to invest in appropriately modern technology to serve members, consistent with our evolving strategy.

Membership Numbers:

- **Qualified Members (Fellows and Associates):** Increased by 9.2% to 18,645.
- **Student Members:** Decreased by 0.2% to 15,380.

Revenue and Expenditure:

- **Subscriptions and Other Revenue:** Increased by £1.6 million to £18.8 million which reflects the growth in qualified members mentioned above.
- **Pre-Qualification Learning and Development Revenue:** Increased by £0.1 million to £20.6 million due to continued demand for the IFoA examinations.
- **Employment Costs:** Increased by £0.9 million to £14.1 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:** decreased by £0.9 million to £26.1 million due to saving on general overheads and reduced spending on investment projects during the year.

Financial Position and Cash Flow:

- **Net Assets:** Increased to £17.6 million from £15.2 million in 2024.
- **Cash and Cash Equivalents:** Increased to £16.4 million from £11.3 million in 2024.
- **Net Group Cash:** £5.2 million inflow from operating activities compared to £3.6 million outflow in 2024.
- **Capital Expenditure:** £0.4 million, relating to investment in the new CRM and Finance systems.

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. The remaining balance in this fund at 28 February 2025 was £22,261.

Risk Management:

Financial management and associated risks are continuously monitored at both a strategic and operational level via a robust enterprise-wide risk management framework and process, and regularly reported to the Audit and Risk Committee, IFoA Board and Council. More details on the IFoA's approach and governance of risk management are included in a separate document called the Corporate Governance Statement for 2024/25 published on the IFoA website.

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.
- invest in specific projects such as CRM, finance, and examination systems.

The reserves policy is to hold between 3.5 and 6.5 months of expenditure at any time. At 28 February 2025 IFoA reserves sat at £17m which at 2024/25 levels of expenditure is at the top end of 6.5 months. This makes no allowance for the impact of the post balance sheet event noted below.

Post balance sheet event on examination security

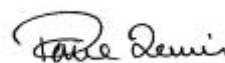
In February 2025 the IFoA had to put in place alternative arrangements for the delivery of its April 2025 examinations after the remote online invigilation system initially failed to achieve satisfactory volume testing with student cohorts. This resulted in the need to deliver the majority of the April examinations via an in-person invigilated exam centre environment. This change at short notice led to additional costs of £3.0 million and a reduction in April examination income of around £0.5 million. The IFoA takes the security and integrity of its examinations very seriously and had decided to move to closed book exams with online invigilation. Whilst the results for 2024/25 show a surplus of £2.2 million, the statutory accounts should be read in the context of these additional post balance sheet costs in addition to those that the IFoA would normally have expected to spend in 2025/26 on examination delivery. There will also be additional costs incurred for the September 2025 examination session, currently estimated to be less than the additional costs incurred in April. A medium-term financial plan has been developed to address these additional costs with the intention of taking appropriate actions to ensure the maintenance of reserves in line with our reserves policy.



Kartina Tahir Thomson
President



David Currie
Chair of IFoA Board



Paul Lewis
Chief Executive Officer

12th June 2025

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.

Following a change to the IFoA's governance structure from 1 April 2024, Council has delegated operational responsibility to the IFoA Board, including for the preparation of financial statements, the application of suitable accounting policies and accounting standards, and keeping proper accounting records.

The IFoA Board 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 28 February 2025.

The IFoA Board also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The IFoA Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the IFoA. The IFoA Board 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 IFoA Board Member is aware at the time the report is approved:

- There is no relevant audit information of which the IFoA auditors are unaware;
- Each IFoA Board 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.

The Directors of the IFoA Board consider the Annual Report 2024/25 to be fair, balanced, and understandable.



Kartina Tahir Thomson
President



David Currie
Chair of IFoA Board



Paul Lewis
Chief Executive Officer

12th June 2025

Independent auditor's report to the Members of the IFoA Board of the Institute and Faculty of Actuaries

Opinion

We have audited the financial statements of Institute and Faculty of Actuaries (IFoA) (the 'parent company') and its subsidiaries for the year ended 28 February 2025 which comprise:

- the Group and IFoA Statement of Income;
- the Group and IFoA Statement of Comprehensive Income;
- the Group and IFoA Statement of Financial Position;
- the Group and IFoA Statement of Changes in Equity;
- the Group and IFoA Statement of Changes in Cash Flows; and
- the notes to the financial statements, including 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 of the IFoA's affairs as of 28th February 2025 and of the Group's surplus for the year then ended;
- have been properly prepared in accordance with IFRSs (UK adopted international accounting standards); and
- have been prepared in accordance with the Byelaws 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 Group and 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 IFoA Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or 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 IFoA Board with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the financial review, other than the financial statements and our auditor's report thereon. The IFoA Board is responsible for the other information contained within the financial review. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the IFoA Board and Council of the IFoA

As explained more fully in the Statement of the Responsibilities of the Council of the IFoA, set out on page 4, the Council has ultimate responsibility 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. As explained in the Statement of Responsibilities, Council has delegated this responsibility to the IFoA Board.

In preparing the financial statements, the IFoA Board, on behalf of Council is responsible for assessing the Group's and 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 intends to liquidate or to cease operations, or has 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 representatives of those charged with governance and review of minutes of IFoA Board and 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 and representatives of those charged with governance 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;
- Tested the implementation of key financial controls;
- 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; and
- enquiring of management and IFoA's Legal Counsel as to actual or potential litigation and claims.

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



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

Date: 26 June 2025

		2025		2024	
	Notes	Group £000	IFoA £000	Group £000	IFoA £000
Revenue					
Subscriptions and other operating income	4	18,775	17,081	17,217	15,652
Pre-qualification learning and development	5	20,602	13,665	20,511	12,496
Post-qualification learning and development		2,441	2,441	2,364	2,364
		<u>41,818</u>	<u>33,187</u>	<u>40,092</u>	<u>30,512</u>
Expenditure					
Employment costs	6	(14,168)	(13,687)	(13,292)	(12,847)
Other operating charges	7	(26,085)	(17,904)	(26,997)	(17,617)
		<u>(40,253)</u>	<u>(31,591)</u>	<u>(40,289)</u>	<u>(30,464)</u>
Operating Surplus / (Deficit)	8	1,565	1,596	(197)	48
Finance and other income	9	578	536	508	471
Lease Liability Interest	22	(57)	(57)	(44)	(44)
Profit on disposal of financial assets	14	58	58	709	709
Dilapidations	19	(70)	(70)	-	-
Share of losses of Joint Venture	16	(35)	(35)	(78)	(78)
Surplus before tax		2,039	2,028	898	1,106
Taxation	10	102	104	(359)	(382)
Surplus for the year		<u>2,141</u>	<u>2,132</u>	<u>539</u>	<u>724</u>

Statement of Comprehensive Income for the year ended 28 February 2025

		2025		2024	
	Notes	Group £000	IFoA £000	Group £000	IFoA £000
Profit for the year		2,141	2,132	539	724
Other Comprehensive Income					
Unrealised gain on revaluation of investments	14	367	367	-	-
Movement in Endowment Fund		(17)	(17)	(20)	(20)
Movement in Deferred Tax for the year	11	-	-	268	268
Unrealised loss on Historical Books revaluation	15	(71)	(71)	-	-
Other comprehensive income for the year net of tax		279	279	248	248
Total comprehensive income for the year		<u>2,420</u>	<u>2,411</u>	<u>787</u>	<u>972</u>

		2025		2024	
	Notes	Group £000	IFoA £000	Group £000	IFoA £000
Non-current assets					
Lease Asset	12	749	749	967	967
Intangible assets	13	1,000	1,000	838	838
Available for sale financial assets	14	11,608	11,608	10,994	10,994
Historical assets	15	1,324	1,324	1,385	1,385
		<u>14,681</u>	<u>14,681</u>	<u>14,184</u>	<u>14,184</u>
Current assets					
Inventories		1	1	1	1
Trade and other receivables	17	4,517	2,093	7,814	6,343
Short Term Notice (>3months)	21	3,007	2,527	2,893	2,364
Cash and cash equivalents	21	16,385	15,321	11,308	10,306
		<u>23,910</u>	<u>19,942</u>	<u>22,016</u>	<u>19,014</u>
Total assets		38,591	34,623	36,200	33,198
Current liabilities					
Trade and other payables	18	(3,148)	(1,594)	(3,265)	(2,114)
Investment in associate	16	(182)	(182)	(147)	(147)
Contract Liabilities	20	(16,468)	(14,677)	(16,153)	(14,891)
Lease Liability	22	(175)	(175)	(181)	(181)
Corporation tax	10	(242)	(240)	(359)	(382)
		<u>(20,215)</u>	<u>(16,868)</u>	<u>(20,105)</u>	<u>(17,715)</u>
Non-current liabilities					
Lease Liability	19,22	(665)	(665)	(874)	(874)
Dilapidations	19	(70)	(70)	-	-
		<u>(735)</u>	<u>(735)</u>	<u>(874)</u>	<u>(874)</u>
Total liabilities		(20,950)	(17,603)	(20,979)	(18,589)
Net assets		<u>17,641</u>	<u>17,020</u>	<u>15,221</u>	<u>14,609</u>
Reserves					
Called up share capital					
General fund		16,781	16,160	14,657	14,045
Investment revaluation reserve		860	860	564	564
		<u>17,641</u>	<u>17,020</u>	<u>15,221</u>	<u>14,609</u>

The financial statements on pages 8 to 24 were approved and authorised for issue by the IFoA Board on behalf of Council on 12 June 2025 and signed on its behalf by:

Kartina Tahir Thomson
President

David Currie
Chair of IFoA Board

Paul Lewis
Chief Executive Officer

Group	General Fund £000	Investment Revaluation Reserve £000	Total £000
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)	-
Balance as at 1 March 2024	14,657	564	15,221
Profit for the year	2,141	-	2,141
Other comprehensive (expenditure) Income	(17)	296	279
Total comprehensive income	2,124	296	2,420
Balance as at 1 March 2025	16,781	860	17,641

IFoA	General Fund £000	Investment Revaluation Reserve £000	Total £000
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)	-
Balance as at 1 March 2024	14,045	564	14,609
Profit for the year	2,132	-	2,132
Other comprehensive (expenditure) Income	(17)	296	279
Total comprehensive income	2,115	296	2,411
Balance as at 1 March 2025	16,160	860	17,020

		2025		2024	
		Group £000	IFoA £000	Group £000	IFoA £000
Notes					
Cash flow provided by (used in) operating activities					
		2,141	2,132	539	724
Profit for the year					
Depreciation - Tangible Assets	12	168	168	792	792
Amortisation - Intangible Assets	13	241	241	76	76
Finance income	9	(578)	(536)	(508)	(471)
Lease Liability Interest and disposal		3	3	107	107
Current Tax charge	10	(102)	(104)	359	382
Profit on disposal of investments	14	(58)	(58)	(709)	(709)
Dilapidations	19	70	70	(517)	(517)
Joint Venture Impairment	16	35	35	78	78
Decrease in inventories		-	-	5	5
Increase in receivables		3,297	4,250	(4,730)	(4,461)
Decrease/ (increase) in creditors and contract liabilities		22	(908)	872	737
Cash provided by (used in) operating activities		5,239	5,293	(3,636)	(3,257)
Taxation		(15)	(39)	(23)	-
Net cash from (used in) operating activities		5,224	5,254	(3,659)	(3,257)
Cash flow from investing activities					
Finance income received	9	578	536	508	471
Dividends reinvested	14	(268)	(268)	(148)	(148)
Purchase of Historical Assets	15	(10)	(10)	(10)	(10)
Historical Books revaluation	15	71	71	-	-
Purchase of available for sale assets	14	(10,076)	(10,076)	(6,424)	(6,424)
Sale of assets for resale	14	5,318	5,318	10,955	10,955
Implementation of CRM asset	13	(275)	(275)	(397)	(397)
Purchase of Fixed asset	13	(128)	(128)	-	-
Movement on cash held by Investment Manager		4,757	4,757	(5,027)	(5,027)
Movement on Short Term Deposits		(114)	(164)	3,613	3,413
Cash (used in) provided by Investing activities		(147)	(239)	3,070	2,833
Net Increase (decrease) in cash and cash equivalents		5,077	5,015	(589)	(424)
Cash and cash equivalents at 1 March 2024		11,308	10,306	11,897	10,730
Cash and cash equivalents at 28 February 2025		16,385	15,321	11,308	10,306
Net Debt Reconciliation					
Cash and cash equivalents at 28 February 2025		16,385	15,321	11,308	10,306
Lease Commitment	22	(840)	(840)	(1,055)	(1,055)
		15,545	14,481	10,253	9,251

1. General Information

The Institute and Faculty of Actuaries RC000243 (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 28 February 2025 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. 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.

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 is earned.

3. Significant Accounting Policies (cont.)

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.

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 return on investments 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. Capitalisation is for IT equipment, furniture and fittings over £2,000 and 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 are depreciated over 5 years 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.

3. Significant Accounting Policies (cont.)

h) Taxation including deferred taxation

The tax currently payable is based on the total taxable surplus for the year which relates to investment income. Taxable surplus differs from the surplus 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.

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 surplus or loss.

The IFoA invests a significant portion of its cash reserves in a mixture of government and investment grade bonds (60%), equity (21%) and alternative investments (19%). 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 £11.6m (2024: £10.9m).

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 2024.

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 surplus or deficit.

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.

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) 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 2024/25. The IFoA Board believes 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.)

n) 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) £16.4m (2024: £11.3m) and short term deposits (>3 months) £3.0m (2024: £2.9m).

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.

o) Cash and Cash Equivalents

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

p) Critical accounting estimates and judgements

The IFoA is 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. The 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 5.66% on the lease liabilities this has been based on investment yield as a proxy.

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 two 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

	2025		2024	
	Group £000	IFoA £000	Group £000	IFoA £000
Subscriptions, admissions, certificate fees	16,574	16,574	15,130	15,130
Income from research (CMI Limited)	1,694	-	1,565	-
Designated Professional Body regulation	347	347	389	389
Royalties	55	55	55	55
Management service fees	12	12	16	16
List of actuarial advisors	19	19	10	10
Disciplinary fines	49	49	15	15
Other Income	25	25	37	37
	18,775	17,081	17,217	15,652

All revenue for the Group is generated in the UK.

5. Pre-qualification learning and development

	2025		2024	
	Group £000	IFoA £000	Group £000	IFoA £000
Examinations	19,499	12,562	19,224	11,209
Exemptions	899	899	1,093	1,093
Tuition materials	204	204	194	194
	20,602	13,665	20,511	12,496

All revenue for the Group is generated in the UK.

6. Employment costs

	2025		2024	
	Group £000	IFoA £000	Group £000	IFoA £000
Wages and salaries	11,562	11,081	10,847	10,402
Social security costs	1,246	1,246	1,228	1,228
Pension costs	1,360	1,360	1,217	1,217
	14,168	13,687	13,292	12,847

The number of staff employed by the group at 28 February 2025 was 191 (2024: 177). The number of staff employed by the IFoA at 28 February 2025 was 184 (2024:171) and termination benefits of £116k (2024:£82k) were paid during the year.

6. Employment costs (cont.)

The remuneration of the Chief Executive and other Executive Directors for the financial year ended 28 February 2025 is disclosed below:

	IFoA 2025	IFoA 2024	IFoA 2025	IFoA 2024
	(Chief Executive)	(Chief Executive)	Executive Directors	Executive Directors
	£000	£000	(excl. CE)	(excl. CE)
			£000	£000
Short-term benefits	222	258	987	994
Bonus	41	40	124	167
Post-employment benefit	35	15	140	104
	298	313	1,251	1,265

The Remuneration Committee reviewed, on behalf of the IFoA Board 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 28 February 2025 was 5 (2024:6). Paul Lewis was appointed as CEO in January 2025, Ben Kemp was Interim CEO until December 2024. The CEO remuneration figures for 2024/25 relate to both postholders. Details of remuneration received by IFoA Board members is disclosed in note 23.

7. Other operating charges

	2025		2024	
	Group	IFoA	Group	IFoA
	£000	£000	£000	£000
Central activities	8,236	8,718	8,232	8,678
Pre-qualification learning and development	11,454	4,517	12,592	4,578
Post-qualification learning and development	1,862	1,862	1,906	1,906
Participation in other bodies	1,579	1,579	1,221	1,221
Continuous Mortality Investigation	1,726	-	1,813	1
Professional / ethical standards	595	595	815	815
Member services	453	453	291	291
Practice areas and member interest groups	139	139	112	112
Designated Professional Body Regulation	41	41	15	15
	26,085	17,904	26,997	17,617

8. Operating Surplus

The Group and IFoA operating surplus is stated after charging:

	2025	2024
	Group	Group
	£000	£000
Employment costs	14,168	13,292
Depreciation	168	792
Amortisation of intangibles	241	76
President's and Council Members' expenses	149	131
Audit fees	86	127
Committee Expenses	65	45

9. Finance and other income

	2025 Group £000	2025 IFoA £000	2024 Group £000	2024 IFoA £000
Bank interest	309	267	360	323
Interest from investment deposits	38	38	-	-
Dividends from investments	231	231	148	148
	578	536	508	471

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 28 February 2025.

	2025 Group £000	2025 IFoA £000	2024 Group £000	2024 IFoA £000
Current tax	238	240	382	382
Prior year under/(over) provision	(340)	(344)	(23)	-
Tax on surplus / (loss) on ordinary activities	(102)	(104)	359	382
Surplus before tax	2,039	2,028	898	1,106
Tax at the UK corporation tax rate of 25%	510	507	225	277
Effects of non-taxable items	(408)	(403)	(584)	(659)
	102	104	(359)	(382)

11. Movement in Deferred taxation

	2025 Group £000	2025 IFoA £000	2024 Group £000	2024 IFoA £000
Balance at 1st March	-	-	268	268
Deferred tax on fair value movement on available for sale assets	-	-	(268)	(268)
Balance at 28th February	-	-	-	-

12. Property, plant and equipment – Group and IFoA

	Lease Assets £000	Total £000
Cost or valuation:		
as at 1 March 2024	1,577	1,577
Reassessment	(50)	(50)
as at 28 February 2025	1,527	1,527
Depreciation:		
as at 1 March 2024	610	610
Depreciation on Financed Asset	168	168
as at 28 February 2025	778	778
Net Book Value at 29 February 2024	967	967
Net Book Value at 28 February 2025	749	749

13. Intangible assets – Group and IFoA

	IFoA Actuary Magazine £000	IFoA CRM £000	IFoA Finance System £000	IFoA Totals £000
Cost or valuation:				
as at 1 March 2024	250	756	-	1,006
Additions	-	275	128	403
as at 28 February 2025	250	1,031	128	1,409
Accumulated amortisation				
as at 1 March 2024	104	64	-	168
Charge for the year	12	229	-	241
as at 28 February 2025	116	293	-	409
Net Book Value at 29 February 2024	146	692	-	838
Net Book Value at 28 February 2025	134	738	128	1,000

14. Available for sale financial assets – Group and IFoA

	2025 Group £000	2024 Group £000
as at 1 March	5,967	9,641
Dividends/Interest reinvested	268	148
Disposals	(5,318)	(10,955)
Unrealised gain on revaluation	367	-
Additions	10,076	6,424
Management Fees	(80)	-
Realised gain on disposal	58	709
Investments as at 28 February	11,338	5,967
Available Cash in funds for Investment	270	5,027
as at 28 February	11,608	10,994

	2025 Group	2024 Group
Concentration of Investments		
Bond	60%	64%
Equity	21%	36%
Alternatives	19%	-

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 28 February 2025 was £11.0m (2024: £5.9m). 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. The holdings are reviewed by the IFoA Board on a regular basis.

15. Historical assets – Group and IFoA

The historical books were revalued in December 2024 by Pickering & Chatto, Antiquarian Booksellers.

	2025 Group £000	2024 Group £000
as at 1 March	1,385	1,375
Additions	10	10
Unrealised loss on revaluation	(71)	-
as at 28 February	1,324	1,385

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 31 December 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 28 February 2025 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 28 February 2025 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 2024 as shown below:

Investment in Associate

	2025 Group £000	2025 IFoA £000	2024 Group £000	2024 IFoA £000
CAA Global Ltd: 50% Shareholding				
Share of loss at Group Level:	(35)	(35)	(78)	(78)
Net Value :	(35)	(35)	(78)	(78)

17. Trade and other receivables

	2025		2024	
	Group £000	IFoA £000	Group £000	IFoA £000
Trade receivables	1,302	607	711	378
Amounts owed by subsidiaries	-	184	-	213
Prepayments and accrued income	1,163	1,163	1,187	1,187
Deferred expenditure	1,792	-	1,262	-
Vanguard Investment	-	-	4,378	4,378
Other receivables	260	139	276	187
	4,517	2,093	7,814	6,343

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

	2025		2024	
	Group £000	IFoA £000	Group £000	IFoA £000
Trade payables	1,920	366	1,370	219
Amounts owed to subsidiaries	-	-	-	-
Taxation and social security costs	358	358	328	328
Amounts held on behalf of members	64	64	68	68
Accruals	806	806	1,499	1,499
	3,148	1,594	3,265	2,114

19. Payables due in greater than one year

	2025		2024	
	Group £000	IFoA £000	Group £000	IFoA £000
Lease Liabilities due after one year	665	665	874	874
Dilapidations	70	70	-	-
	735	735	874	874

20. Contract Liabilities

	2025		2024	
	Group £000	IFoA £000	Group £000	IFoA £000
Subscriptions	8,968	8,969	8,328	8,328
Tuition fees	1,792	-	1,262	-
Examination fees	5,091	5,091	5,912	5,912
Events fees	-	-	4	4
Practising certificates	513	513	563	563
Other contract liabilities	104	104	84	84
	16,468	14,677	16,153	14,891

This relates to subscriptions, examinations and practicing certificate income due to be recognised in 2025/26

21. Cash and cash equivalents

	2025		2024	
	Group	IFoA	Group	IFoA
	£000	£000	£000	£000
Cash and cash equivalents(<3months notice)	16,385	15,321	11,308	10,306
Short Term Deposits (>3 months notice)	3,007	2,527	2,893	2,364
	<u>19,392</u>	<u>17,848</u>	<u>14,201</u>	<u>12,670</u>

22. Leases

Group as a lessee

The group has leasing arrangements for their operations.

Lease liabilities are due as follows:

	2025	2024
	£'000	£'000
Not later than one year	175	181
Between one year and five years	665	874
Balance at 28 February 2025	<u>840</u>	<u>1,055</u>

Contractual undiscounted cash flows are due as follows:

	2025	2024
	£'000	£'000
Not later than one year	223	223
Between one year and five years	747	969
Balance at 28 February 2025	<u>970</u>	<u>1,192</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

	2025	2024
	£'000	£'000
Interest expense on lease liabilities	<u>57</u>	<u>44</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. The IFoA Board members received remuneration and expenses, the amount paid in such fees amounts to £170,476 remuneration and £9,988 expenses during the year 2025. Directors and officers insurance is held for all those acting on behalf of the IFoA in an official capacity was purchased by the institute for the year. The premium is not separately identifiable within the total insurance costs.

As at 28 February 2025 IFoA owed revenue received and expenditure paid of £11,383 (2024: £1,695) on behalf of the IFoA Foundation, the charity of the Institute and Faculty of Actuaries.

24. Post balance sheet event on examination security

In February 2025 the IFoA had to put in place alternative arrangements for the delivery of its April 2025 examinations after the remote online invigilation system initially failed to achieve satisfactory volume testing with student cohorts. This resulted in the need to deliver the majority of the April examinations via an in-person invigilated exam centre environment. This change at short notice led to additional costs of £3.0 million and a reduction in April examination income of around £0.5 million. The IFoA takes the security and integrity of its examinations very seriously, and had decided to move to closed book exams with online invigilation. Whilst the results for 2024/25 show a surplus of £2.2 million, the statutory accounts should be read in the context of these additional post balance sheet costs in addition to those that the IFoA would normally have expected to spend in 2025/26 on examination delivery. There will also be additional costs incurred for the September 2025 examination session, currently estimated to be less than the additional costs incurred in April. A medium-term financial plan has been developed to address these additional costs with the intention of taking appropriate actions to ensure the maintenance of reserves in line with our reserves policy.