Association for Financial Markets in Europe

Annual report and financial statements

For the year ended 31 October 2023

Company no: 06996678

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Directors and other information

Directors

The directors who held office during the year were as follows:

Guy America (resigned 1 December 2022)
Leonardo Arduini (resigned 14 December 2022)
Lionel Bignone (resigned 14 December 2022)
Juan Blasco
Martine Bond (resigned 16 March 2023)
Nicholas Burge (resigned 14 December 2022)
Sylvain Cartier
Justin Chapman
Efthalia Chryssikou
Carlos Ciervide (appointed 14 December 2022)
Gavin Colquhoun
Kevin Connors
Paolo Crocé
Molly Duffy (appointed 14 December 2022)
Michael Eldridge (appointed 16 March 2023)
Adam Farkas
Patrick George (resigned 1 September 2023)
Michael Haize
Vanessa Holtz
Nicholas Hughes
Sanjay Jhamna (appointed 14 December 2022)
Fabio Lisanti (appointed 14 December 2022)
Antoine Maurel (appointed 23 September 2023)
Davide Menini (resigned 22 September 2023)
Massimo Mocio
Shane O'Cuinn
Olivier Osty
Jonathan Peberdy
Gary Prince
Carl Scott (resigned 16 March 2023)
Raoul Salomon (appointed 16 March 2023)
Rita Sqalli
Daniel Watkins
Graham Williams (appointed 14 December 2022)

Secretary

Oliver Moullin

Registered Office

Association for Financial Markets in Europe
Level 10
20 Churchill Place
Canary Wharf
London
E14 5HJ
United Kingdom

Auditor

BDO LLP
2 City Place
Beehive Ring Road
Gatwick, RH6 0PA
United Kingdom

Strategic report

The Company is an association that represents a broad array of global and European participants in the wholesale financial markets. We advocate for deep and integrated European capital markets which serve the needs of companies and investors, supporting economic growth and benefiting society across Europe. On behalf of the membership of Association for Financial Markets in Europe (AFME) we:

- Offer a single voice for Europe's capital market participants and advocate their views at national, European Union (EU) and global levels;
- Act as a bridge between market participants and policymakers to build constructive dialogue;
- Offer our policy and product expertise to help achieve a balanced and stable regulatory environment; and
- Promote the contribution of the financial sector to society.

The Company is limited by guarantee with no share capital. The principal risk faced by the Company is associated with member retention, since the majority of its revenue is from membership dues. The Company has a designated team for membership engagement and has also built substantial capital reserves (net assets) to mitigate this risk, with the majority invested in liquid assets, with an 81:19 split (2022: 81:19 split) between assets held in cash and cash equivalents versus those managed as long-term investments by a discretionary fund manager. The fund manager was selected following extensive due diligence and the Company monitors and reports regularly to the AFME Board and Investment Committee on investment performance. The Company has appropriate financial and reporting systems in place and therefore directors do not consider compliance and reputational risks as significant.

The Company has identified several key financial and other performance indicators during the year as follows:

- The Company generated membership fee income of £17.6m in 2023, up from £17m in 2022.
- The Company spent approximately 83% of total expenses on staff, professional fees and consultants in 2023 (2022: 84%).
- Staff, consultant and professional fee costs were £16.6m in 2023, up from £14.9m in 2022.

Total income increased this year to £20.9 million (2022: £20.1 million) due to growth in AFME's non-board memberships, GFXD memberships and Commodities memberships. Also, AFME's conference revenue specifically the Global ABS event did particularly well generating revenue of £1.9m (2022: £1.8m). Administration expenses were higher this year at £20 million (2022: £17.7 million), driven primarily by an increase in salaries, professional fees and travel expenses. Trade debtors have increased to £15.6 million (2022: £13.9 million) as a smaller proportion of membership billings were collected at year end versus the prior year. This is due to having more membership fees such as FTT and Commodities. The directors still believe that our membership base continues to be credit worthy and are satisfied with the results for the year. Net assets also increased to £25.9 million (2022: £23.9 million) strengthening the reserves.

Our strategic aim for 2024 is to continue to promote and develop a well functioning and competitive European capital markets to support growth and transformational investment needs.

Overall, AFME's principal role in 2024 will be to continue to support our member firms, assisting them to engage constructively and successfully with policymakers across Europe. We will use our network of policy and regulatory relationships to deliver targeted and evidence-based advocacy that draws on our technical knowledge, thought leadership and research. Our aim will be to influence the European regulatory environment so that it works well for members and their clients while benefiting the markets and broader economy in which they operate. In this context we will focus on the following high level strategic priorities, as set out in our 2024 Business Plan: Promoting further development of well-functioning and competitive European capital markets to support growth and transformational investment needs; achieving sound implementation of risk, capital management and control standards for markets and banks in the light of financial innovation in EU and the UK; promote the development of the EU and UK digital landscape with competitive and fit for purpose regulation; facilitating sustainable finance in Europe and the UK and facilitating regulatory convergence and cooperation in Europe and globally.

By Order of the Board on the 20th March 2024
Adam Farkas
Chief Executive

Directors' report

The directors present their Directors' report and financial statements of the Association for Financial Markets in Europe ("the Company") for the year ended 31 October 2023.

History

The Company was incorporated in the United Kingdom on 20th August 2009. On 1 November 2009, Association for Financial Markets in Europe ("AFME") was formed by the merger of the trade associations London Investment Banking Association and the European operation of Securities Industry and Financial Markets Association. AFME currently have 3 offices London (headquarters), Brussels and Frankfurt.

Principal activities and events

The Company is an association that represents a broad array of global and European participants in the wholesale financial markets, providing expertise across a broad range of regulatory and capital markets issues. We focus on a wide range of market, business and prudential issues and offer a pan-European perspective, bringing to bear deep policy and technical expertise and constructive influence with European and global policymakers.

We aim to act as a bridge between market participants and policy makers across Europe, drawing on our strong and long-standing relationships, our technical knowledge and fact-based work. We advocate for deep and integrated European capital markets which serve the needs of companies and investors, supporting economic growth and benefiting society.

Future developments

Information on likely future developments in the business of the Company has been included on the Strategic report on page 2.

Research and Development

The Company has invested £Nil (2022: £Nil) in internal research and development this year.

Share capital

The Company is limited by guarantee without share capital.

Directors

The directors and secretary who held office during the year are listed on page 1.

Political and charitable contributions

The Company made no political donations nor incurred any political expenditure during the year. The Company made charitable contributions during the year with a value of £14,832 (2022: £13,691).

Financial instruments

The Company's operations expose it to a financial risk that includes the effects of investment risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by following AFME's strategies which consist of monthly calls with investment advisors to review the portfolio, quarterly discussions at the Audit & Finance Committee and Investment Committee meetings along with annual meetings with the investment advisors. The Investment Committee manages the risks associated with the investment portfolio.

Financial risk management

The Company's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity and cash flow risk.

Price risk

The Company is exposed to movements in the Euro and US Dollar currency rates which affects costs of services. The directors monitor this risk and where possible i) the costs are absorbed or ii) when necessary are passed on to service providers.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations. The Company is mainly exposed to credit risk from membership and conference sales.

The Company requires a six-month notice period for membership resignation.

Liquidity and Cash Flow

The main cash flow and liquidity risk for the business is to ensure that bank balances and cash generated from trading is sufficient to service the Company. The Company monitors performance closely to ensure that sufficient cash flows are generated.

Employees

The Company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind.

The Company's HR procedures make clear that full and fair consideration must be given to application made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the Company, the HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the Company. Retraining employees who become disabled whilst employed by the Company is offered where appropriate.

Going Concern

Having considered all relevant factors, including material uncertainties, the Directors consider it appropriate to continue to prepare the Financials Statements on a going concern basis. For further information please see note 1.

Disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each director has taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

BDO LLP were appointed as auditors in 2015 and have expressed their willingness to continue in office. A resolution to re-appoint will be proposed at the annual general meeting.

By order of the Board on the 20th of March 2024
Adam Farkas
Chief Executive

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASSOCIATION FOR FINANCIAL MARKETS IN EUROPE

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Association for Financial Markets In Europe ("the Company") for the year ended 31 October 2023 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in funds, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' 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 Company'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 Directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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 course of 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 this gives rise to 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.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine 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 Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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:

Non-compliance with laws and regulations
Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations; we considered the significant laws and regulations to be FRS 102 (the applicable accounting framework) and UK tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition, management override of controls and manipulation of the accrual bonuses and payroll balances.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias;
- Testing a sample of membership subscriptions, sponsorship income and conference income back to supporting documentation;
- Performed cut off procedures by sampling the month of October 2023 and November 2023 and agreeing back to supporting documentation. This was to ensure that the revenue was recorded in the correct accounting period;
- Testing a sample of deferred bonuses by agreeing this back to signed bonus letters.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Kenneth Smailes
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Kenneth Smailes (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, UK
11 April 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of comprehensive income
for the year ended 31 October 2023

	Note	**2023** **£**	2022 £
Turnover	*2*	**20,921,512**	20,136,996
Expenditure			
Administration expenses		**(20,023,063)**	(17,665,955)
Other operating income		**9,293**	33,057
Operating profit		**907,743**	2,504,098
Other interest receivable and similar income	*4*	**970,617**	177,198
Income from fixed asset investments		**131,260**	112,524
Changes in fair value of investments		**(15,501)**	(594,691)
Profit on ordinary activities before taxation	*3*	**1,994,119**	2,199,129
Tax on profit on ordinary activities	*7*	**(366,617)**	(13,374)
Profit and total comprehensive income for the year		**1,627,502**	2,185,755

All profit arises from continuing operations.

The notes on pages 14-25 form part of these financial statements

Statement of financial position
at 31 October 2023

Company no. : 06996678

	Note		2023		2022
		£	£	£	£
Fixed assets					
Tangible assets	*8*		**1,942,109**		290,776
Intangible assets	*9*		**796**		11,218
Investments held at fair value	*10*		**6,160,583**		6,080,030
Current assets					
Debtors	*11*	**16,245,472**		14,536,087	
Cash and Cash equivalents		**26,392,618**		26,728,993	
		42,638,090		41,265,080	
Creditors: amounts falling due within one year	*12*	**(21,850,701)**		(20,898,471)	
Net current assets			**20,787,389**		20,366,609
Provision for liabilities	*13*		**(3,381,460)**		(2,866,718)
Net assets			**25,509,417**		23,881,915
Capital & reserves					
Capital reserves			**1,638,287**		1,638,287
Profit & loss account			**23,871,130**		22,243,628
Members funds			**25,509,417**		23,881,915

These financial statements were approved by the board of directors on 20 Mar 2024 and were signed on its behalf by:

Adam Farkas
Director

The notes on pages 14-25 form part of these financial statements

Statement of changes in funds
for the year ended 31 October 2023

	Capital Reserves	Profit and Loss account	Total Member Funds
	£	£	£
At 31 October 2021	1,638,287	20,057,873	21,696,160
Total comprehensive income for the year	-	2,185,755	2,185,755
At 31 October 2022	1,638,287	22,243,628	23,881,915
Total comprehensive income for the year	**-**	**1,627,502**	**1,627,502**
At 31 October 2023	**1,638,287**	**23,871,130**	**25,509,417**

Under the rules of the merger, on 1 November 2009 assets and liabilities to the net value of £877,157 were transferred from LIBA and fixed assets to the value of £761,130 were transferred from SIFMA. These transfers were at no cost to the Company and are therefore treated as a total of £1,638,287 capital contribution. Under the Company Memorandum and Articles, total member funds are restricted to the Company's operations or upon dissolution to be transferred to another company or charity with similar objectives and operations that also prohibits the return of funds to members.

The notes on pages 14-25 form part of these financial statements

Statement of cash flows
for the year ended 31 October 2023

	Note	*2023* £	*2022* £
Cash flows from operating activities			
Profit for the financial year		**1,627,502**	2,185,755
Adjustments for losses/(gains):			
Depreciation, impairment and amortisation of fixed assets	*3, 8, 9*	**354,989**	244,092
Realised and unrealised losses on investments	10	**(80,553)**	528,958
Dividend income from fixed and current asset investments		**-**	-
Net interest received	*4*	**(970,617)**	(177,198)
Loss on disposal of fixed assets		**1,895**	5,293
(Increase)/Decrease in trade and other debtors	*11*	**(2,076,002)**	45,295
Increase/(Decrease) in trade and other creditors	*12, 13*	**1,466,972**	987,108
Taxation expense		**366,617**	13,374
Cash from Operations		**690,803**	3,832,676
Taxation Paid		-	-
Net Cash generated from operating activities		690,803	3,832,676
Cash flows from investing activities			
Purchase of tangible fixed assets	*8*	**(1,997,794)**	(39,361)
Purchase of fixed asset investments	*10*	**-**	(850,000)
Interest received	*4*	**970,617**	177,198
Net cash generated by investing activities		**(1,027,177)**	(712,162)
Net (Decrease)/Increase in cash and cash equivalents		**(336,374)**	3,120,514
Cash and cash equivalents at beginning of year		**26,728,993**	23,608,478
Cash and cash equivalents at end of year		**26,392,619**	26,728,993
Cash and cash equivalents consist of:			
Cash at bank and in hand		**8,392,679**	13,729,053
Liquid resources		**17,999,940**	12,999,940

The notes on pages 14-25 form part of these financial statements

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Association for Financial Markets in Europe is incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the Strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Company management to exercise judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

Going Concern

There are currently no material risks associated with the going concern of the Company in the foreseeable future. Net current asset position is £20.4m at financial year end with a cash balance of £26.7m. The Company remains profitable.

Accumulated reserves are greater than the current year administration expenses and therefore no going concern risk is perceived.

The senior management team and the board reviewed the going concern of the company in light of the upcoming year's budget and reserves and found there to be no risk.

Depreciation

Depreciation is provided to write off the cost of fixed assets in equal instalments over their estimated useful lives as follows:

Furniture, fittings & equipment	-	5 to 7 years
Computers	-	3 to 10 years
Motor vehicles	-	5 years
Leasehold improvements	-	Life of the lease (maximum of 11.25 years) - Useful lives are

periodically reassessed to reflect any changes.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life of 3 to 5 years, on a straight-line basis.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life has not changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Operating leases

Operating leases are charged to the profit and loss account to the extent of the amounts payable in respect of the period.

Taxation

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

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

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

Notes *(continued)*

(forming part of the financial statements)

- The recognition of deferred tax assets are not limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Foreign currencies

Items included in the financial statement are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in 'sterling', which is the Company's functional and reporting currency.

Foreign currency transactions are translated at the rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transaction and form the translation at year end of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the period.

Turnover

All income is recognised in the statement of comprehensive income when the conditions for receipt have been met.

Membership subscription fees are treated as income on an accrual basis. Amounts received in respect of future years are carried forward in the accounts as deferred income until the relevant subscription year.

FTT protocol fees are also treated as income on an accrual basis. Any amounts received relating to future periods are carried forward in deferred income until the relevant period.

Income from conference services are recognised at the point of delivery of the associated service.

Financial assets

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Provisions for deferred bonuses

Provisions are recognised when a Company has a legal or constructive obligation as a result of a past event and it is probable that a transfer of economic benefits will be required to settle this obligation, and a reliable estimate can be made of the amount of the obligation. The effect of the time value of money is not material and therefore provisions are not discounted.

Deferred bonuses for employees are recognised in the financial statements when approved by the board and are only paid to the employees once approved by the Remuneration Committee.

Notes *(continued)*

(forming part of the financial statements)

Investments

In accordance with the alternative accounting provisions set out within the Companies Act 2006 investments are stated at fair value as at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).

Investment income, including any tax recoverable thereon, is included in the financial statements in the year in which it is receivable.

Judgements in applying accounting policies and key sources of estimating uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of the future events that are believed to be reasonable under the circumstances.

Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the directors have made the following judgements:

Related parties

Any one of The Company's Board Members does not have any control over the operations of The Company. Therefore management believes this does not form part of The Company's related party transactions.

Other key sources of estimation uncertainty:

Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of the property, plant and equipment and note 1 for the useful economic lives for each class of asset.

Provisions for liabilities

Provisions for liabilities have been made for deferred bonus contracts. These provisions require managements estimate of the costs that will be incurred based on meeting contractual requirements. Deferred bonuses are deferred over a range of 1 to 2 years' subject to the terms and conditions set out in each director service agreement. Deferred bonuses have been awarded but are payable in future years based conditions associated with performance and retention. It is managements judgement that although several conditions exist associated with performance and economic conditions, based on historic trends and forecasts deferred bonuses along with the respective retention estimate have been recognised and are expected to be paid. The Company estimates 100% of deferred bonuses will be paid upon contract specified payment dates.

Cash flow statement

Operating cash flow is largely generated through turnover arising from membership and events fees offset by related administrative expenses.

Cash and cash equivalents comprise of cash at bank and in hand, and liquid resources. Cash at bank and in hand are cash deposits with a term of 32 days or less, whilst liquid resource are cash deposits with a notice period of 90 days or less. Interest earned on these balances are deemed to be from investing activities for the purposes of the cash flow statement. Additional investment activities include cash injections or withdrawals from the investment portfolio managed by Evelyn Partners, recorded as Investments held at fair value on the balance sheet.

Notes *(continued)*
(forming part of the financial statements)

2 Analysis of turnover

Turnover is analysed as follows:	**2023** **£**	2022 £
Arising in the United Kingdom:		
Membership subscriptions	**17,563,958**	17,043,358
FTT Revenue	**297,250**	282,583
Conference services	**265,029**	685,242
	18,126,237	18,011,183
Arising in mainland Europe:		
Conference services in Belgium	**594,996**	-
Conference services in Spain	**2,093,463**	1,878,988
Conference services in Germany	**81,119**	39,331
Conference services in Netherlands	**25,727**	207,494
	20,921,512	20,136,996

Notes *(continued)*
(forming part of the financial statements)

3 Profit on ordinary activities before taxation

	2023	2022
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Amortisation and Depreciation charge for the year	**354,989**	244,092
Auditor's remuneration		
- Statutory audit	**41,990**	34,140
- Tax & VAT compliance services	**10,434**	9,660
- Disbursements	**250**	1,879
Operating lease expense		
- Land and buildings	**359,719**	312,904
- Other	**-**	923
Foreign exchange Losses/(Gains)	**52,690**	(41,967)

4 Interest receivable and similar income

	2023	2022
	£	£
Bank deposit interest	**970,617**	177,198

5 Directors remuneration and key management personnel

There was one (PY: one) director remunerated by the Company this year who also serves as the sole member of key management personnel. Total benefits during the year were as follows:

	2023	2022
	£	£
Director emolument	**1,355,539**	1,207,401
Of which relates to pensions	*110,000*	*106,500*

Notes *(continued)*
(forming part of the financial statements)

6 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	No of employees 2023	No of employees 2022
Membership services	**78**	70
Conference services	**7**	7
	85	77

The aggregate payroll costs of these persons were as follows:

	2023 £	2023 £
Wages and salaries	**12,285,263**	10,962,321
Social security costs	**1,606,530**	1,547,995
Pension costs	**807,008**	754,290
	14,698,801	13,264,606

7 Taxation

Analysis of charge in period:	**2023 £**	2022 £
Current tax		
UK Corporation tax at 22.52% (2022: 19%)	**320,486**	-
Foreign taxation	**-**	4,369
Total current tax	**320,486**	4,369
Deferred tax		
Origination and reversal of timing differences	**44,737**	198,742
Adjustments in respect of prior years	**1,394**	(189,737)
Total deferred tax credit charge/(credit)	**46,131**	9,005
	366,617	13,374

Notes *(continued)*
(forming part of the financial statements)

7 Taxation *(continued)*

Factors affecting the tax charge for the current year

The current tax charge for the year is lower than the standard rate of tax in the UK of 22.52% (2022: 19.00%). The differences are explained below.

	2023	2022
	£	£
Reconciliation of current tax charge		
Profit on ordinary activities before tax	**1,994,119**	2,199,129
Tax on profit on ordinary activities at standard CT rate of 19%	**452,522**	417,835
Effects of:		
Fixed asset differences	**67,026**	46,015
Income not taxable for tax purposes	**(3,984,575)**	(3,259,618)
Expenses not deductible for tax purposes	**3,816,331**	2,924,046
Other differences	**9,478**	10,665
Other permanent differences	**-**	12,101
Foreign tax credits	**-**	4,369
Adjustments to tax charge in respect of previous periods (deferred tax)	**1,393**	(189,737)
Changes in tax rates	**4,442**	47,698
Current tax charge for the period	**366,617**	13,374

Notes *(continued)*
(forming part of the financial statements)

8 Tangible assets

	Furniture, fittings & equipment	Computer equipment	Leasehold improvements	Total
	£	£	£	£
Cost				
At beginning of year	316,403	686,224	1,282,517	2,285,144
Additions	**449,440**	**298,131**	**1,250,224**	**1,997,795**
Disposals	**(4,926)**	**-**	**(66,773)**	**(71,699)**
At end of year	**760,917**	**984,355**	**2,465,968**	**4,211,239**
Depreciation				
At beginning of year	279,724	492,361	1,222,283	1,994,368
Charge for the year	**57,399**	**115,191**	**171,977**	**344,567**
Disposals	**(4,505)**	**-**	**(65,300)**	**(60,805)**
At end of year	**332,618**	**607,552**	**1,328,960**	**2,269,130**
Net book value				
At 31 October 2022	36,679	193,863	60,235	290,776
At 31 October 2023	**428,298**	**376,803**	**1,137,008**	**1,942,109**

Notes *(continued)*
(forming part of the financial statements)

9 Intangible assets

	Software
	£
Cost	
At beginning of year	454,649
At end of year	454,649
Amortisation	
At beginning of year	443,431
Charge for the year	10,422
At end of year	453,853
Net book value	
At 31 October 2022	11,218
At 31 October 2023	**796**

10 Investments held at fair value

Since the 26 June 2015 AFME began investing their reserves in the market with the assistance of Evelyn Partners (previously known as Smith and Williamson Investment Advisors). Note that dividends are reinvested back into the fund.

		2023
		£
At 31 October 2022		6,080,030
Disposals of investments		-
Cash withdrawn from portfolio		-
Cash deposited in portfolio		-
Dividends	*131,260*	
Fair value movement	*(50,707)*	
Gain/(loss) on portfolio		80,553
At 31 October 2023		**6,160,583**

The changes in fair value of investments on the statement of comprehensive income is net of fees totalling £35,206.

Notes *(continued)*
(forming part of the financial statements)

11 Debtors

	2023	2022
	£	£
Trade debtors	**15,639,818**	13,911,525
Other debtors	**216,564**	137,283
Prepayments and accrued income	**364,451**	416,500
Corporate tax	**-**	10
Deferred taxation (see note 14)	**24,639**	70,770
	15,924,996	14,536,087

Trade debtors represent membership dues billed in September/October 2023 for the financial year 2024 and are uncollected at year end.

12 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	**-**	8,358
Taxation and social security	**208,802**	102,733
Other creditors	**114**	114
Accruals	**4,349,542**	4,048,610
Deferred income	**16,646,460**	16,794,035
Deferred rent credit	**325,307**	(55,380)
Corporate tax	**320,476**	-
	21,850,701	20,898,471

13 Provision for liabilities

	2023	2022
	£	£
At the beginning of the year	**2,866,718**	2,564,156
Payable within a year (included within accruals)	**(1,258,162)**	(1,082,855)
Amounts forfeited during the year	**(60,255)**	-
Amounts added during the year	**1,833,159**	1,385,447
At end of year	**3,381,460**	2,866,718

Deferred bonuses have been awarded but are payable in future years based on performance. Deferred bonuses are deferred over a range of 1 to 2 years.

Notes *(continued)*
(forming part of the financial statements)

14 Deferred taxation

	2023	2022
	£	£
Deferred taxation		
At beginning of year	**(70,770)**	(79,775)
Charged during year in respect of timing differences	**46,131**	9,005
Liability at end of year	**(24,639)**	(70,770)

15 Financial instruments

	2023	2022
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**42,249,000**	40,777,800
Financial assets measured at fair value through profit or loss	**6,160,583**	6,080,030
Financial liabilities		
Financial liabilities measured at amortised cost	**21,530,225**	20,898,471

Financial assets measured at amortised cost comprise of cash and cash equivalents, trade debtors and other debtors.

Financial assets measured at fair value through the statement of comprehensive income comprise of non-current asset investments in a trading portfolio of listed company shares.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, deferred income, deferred rent and accruals.

There is no net debt (loans) and therefore a debt disclosure note has not been included here.

Information regarding the Company's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Directors' report.

16 Pension costs

AFME makes defined contributions to finance employees' pension arrangements. The assets of the schemes are held separately from AFME and are independently administered. Contributions to such schemes are charged to the statement of comprehensive income. The pension charge for the period was £807,008 (2022: £754,290) and no amount (2022: £Nil) was due from AFME at the end of the year.

Notes *(continued)*
(forming part of the financial statements)

17 Commitments

Minimum lease commitments under non-cancellable operating leases are as follows:

	2023 **Land and buildings** **£**	2022 Land and buildings £	2022 Other £
Within one year	232,424	122,474	923
In the second to fifth years inclusive	922,741	705,486	-
Over five years	212,704	176,372	-
	1,367,869	1,004,332	923

18 Related party disclosures

AFME is a member of GFMA (Global Financial Markets Association), which is a global network that coordinates the activities of AFME, SIFMA (US operation of Securities Industry and Financial Markets Association) and ASIFMA (Asia Securities Industry and Financial Markets Association). AFME is a separate entity and has a separate board and governance structure. SIFMA and AFME entered into a Shared Service Agreement at the time of the merger as the Board agreed that SIFMA would provide AFME with HR, Accounting and IT services. The agreement has evolved and SIFMA no longer provides services to AFME however, we still share some systems. SIFMA charged AFME £26,554 (2022: £23,422) for services provided under the shared services agreement during the year, £1,121 (2022: £1,909) of which was outstanding at the year end.

GFMA was established to address global issues which affect the financial industry without compromising regional strategy or priorities. The GFMA agreement confirms regional involvement as well as detailing the contributions to be made to the running costs of the GFMA by each of the regional associations (AFME, ASIFMA and SIFMA). GFMA is governed by a separate board.

SIFMA charged AFME £365,174 (2022: £198,533) for services provided under the GFMA agreement during the year, £108,317 (2022: £135,139 owed to AFME) of which is owed to SIFMA at the year end. ASIFMA charged AFME £421,395 (2022: £384,590) for services provided under the GFMA agreement during the year, £176,979 (2022: £182,734) of which was outstanding at the year end.

19 Post balance sheet events

There are no significant post balance sheet events which would materially affect the financial statements.