

Association of International Property Professionals Limited
(Limited by guarantee, not having a share capital)

Directors' Report and Financial Statements

for the year ended 31 December 2008

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**Association of International Property Professionals Limited
(Company Limited By Guarantee)**

Company Information

Directors	Sue Ash, Chair Robin Barrasford, Treasurer Mark Rickard, Secretary John Howell Cindy Griffith Jeannie Lumb Ian Dobrin Peter Robinson Garrett Kenny Martin Gow Ray Withers Nick Clark Lindsay Hopkins Alistair Powell
Company Number	5677417 (England & Wales)
Registered Office	94 New Bond Street LONDON W1S 1SJ
Auditors	Civvals Chartered Accountants 5th Floor Marble Arch House 66-68 Seymour Street LONDON W1H 5AF
Business Address	94 New Bond Street LONDON W1S 1SJ

Association of International Property Professionals Limited
(Company Limited By Guarantee)

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Association of International Property Professionals Limited
(Company Limited By Guarantee)

Directors' Report
for the year ended 31 December 2008

The directors present their report and the financial statements for the second year ended 31 December 2008.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the surplus or deficit of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

The directors of the company who held office at the date of approval of this annual report confirm that:

- So far as they are aware, there is no relevant audit information, information needed by the company's auditors in connection with preparing their report, of which the company's auditors are unaware; and
- They have 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 the company's auditors are aware of that information.

Principal Activity

The principal activity of the company is the improvement of professional standards in the international property market. As a non-profit organisation, that improvement is our sole aim.

We aim to improve the standards by attracting international property companies as Members. All Members are vetted, they submit to industry standard training and they voluntarily agree to follow our Code of Conduct, once established to help and protect the buyer of overseas property. The agreement to follow our standards and the submission to disciplinary process allows the AIPP to apply some regulations to the conduct of Member companies. We can then take this message of reassurance to the public and let them know that they should have confidence that our members are professional and they should know that they have some recourse if a professional service is not delivered.

Section 3 of our Constitution outlines our objects in detail, as below:

- To encourage the highest standards of professionalism within the international real estate industry.
- To enhance standards of professionalism by education and training.
- To promote awareness of the industry and its products amongst the general public.
- To provide a forum for the resolution of disputes between the buyers of international real estate and the Members of AIPP.
- To provide a collective voice for its members when dealing with issues relating to international real estate.
- Such other purposes as the Members of AIPP may from time to time decide.

These objectives may only be modified by a special resolution of the Members of AIPP.

**Association of International Property Professionals Limited
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**Directors' Report
for the year ended 31 December 2008**

Review of Activity

We started 2008 with 340 Members and ended with 405. Our Member Survey for 2008 showed 95% of respondents recommending membership, up from 93% in 2007.

Membership renewal rate was 70%. The vast majority of Members failing to renew were closing down or had already closed down. We took 145 new Members live in 2008, an average of 12 a month.

Our disciplinary activity increased with seven companies expelled from membership in 2008 and two suspended. We had one hearing a month, five or six cases a hearing plus 3 - 4 mediation meetings a month. 89 formal complaints were received in 2008. 15 settlements were mediated with a total paid out of £72,682. An increase in our disciplinary work reflects higher membership numbers; greater consumer awareness and an increase of problems in this market.

We also raised our consumer profile in 2008. The AIPP Members Directory became 'Buying Property Overseas Safely - the consumer guide from the industry body', the best publication we've done to date. Increasingly read by consumers, it's delivering on our consumer education remit and raising awareness of the work of AIPP.

We also launched the AIPP Awards, the industry awards from the industry body. Focused on the consumer service delivered by agents and developers in our market, the Awards was a real highpoint of the year - both in its inception as an independent, non-profit making initiative to raise standards in our market and in its delivery, a fantastic night on the River Thames at which 225 international property professionals enjoyed an evening of nine winners and a few losers.

The AIPP Exhibition Zone was launched at the Property Investor Show in London in September. The first such dedicated space at a UK exhibition for an industry body in our market, it again raised awareness of AIPP with consumers. Towards the end of the year, the AIPP was at OPP Live, the trade show for the market, with the first 'AIPP Meeting Point', a networking area for Members and non-members alike. This further raised AIPP's high profile within the industry itself.

2008 was also the first year in which we faced genuine financial challenges, something shared across our market. Our membership fee income was down in 2008 with £343,000 of membership fees compared to £386,000 in 2007. We nearly matched 2007's income figures by virtue of the AIPP Awards raising £37,000 though all income raised by the Awards was spent on the Awards - as budgeted, the Awards broke even.

With higher marketing costs incurred along with the costs of a larger team, we made a deficit in 2008 of just over £60,000 more than wiping out 2007's surplus of £43,000.

Almost all of the financial deficit hit us in September. It was caused by a combination of 3 things:

- A sudden and dramatic increase in bad debts;
- A marked reduction in membership fees based on companies reducing to smaller teams (our pro-rated fees reflecting their drop in numbers);
- A contracted commitment to marketing budgets for a big Autumn season, made before the financial storm hit.

The combination of those three caused a massive monthly deficit. September 2008, the collapse of Lehman Brothers, a new and frightening phase in our changing economic climate saw a lot of companies hit problems and we are one of them. Costs were quickly reduced, revenues steadied and we navigated the 4th quarter without further deficit. We were, however, unable to make up the financial ground lost in September.

Association of International Property Professionals Limited
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Directors' Report
for the year ended 31 December 2008

We therefore carried over a deficit of £19,000 from 2008 to 2009. With the support of patient creditors, we built ourselves back into a stronger position early in 2009. Monthly fixed costs for 2009 were reduced by 30%.

2008: a year in which our world changed, perhaps forever; definitely for the foreseeable future. A year of firsts for AIPP, most of them good with the Awards, the AIPP Zone and a revamped consumer guide; and one of them bad, with a significant financial deficit on our accounts.

The industry is seeing huge changes and the AIPP has also had to adapt. It must continue to do so whilst maintaining its position as the body that leads to the market into better times, using adversity to deliver a better industry. Making the international property market a safer place in which to buy and a better place in which to work remains our aim: it is one to which we are a few steps closer.

Directors

The directors who served during the year are as stated below:

Sue Ash, Chair

Robin Barrasford, Treasurer

Mark Rickard, Secretary

John Howell

Cindy Griffith

Jeannie Lumb

Ian Dobrin

Peter Robinson

Garrett Kenny

Ray Withers

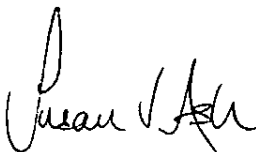
Nick Clark

Lindsay Hopkins

Alistair Powell

Small company rules

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies. It was approved by the board on 10 December 2009 and signed on its behalf by:



Sue Ash
Chair

We have audited the financial statements of Association of International Property Professionals Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and the accounting policies set out therein.

This report is made solely to the company's members as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Auditing Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Independent Auditors Report to the Members of the
Association of International Property Professionals Limited (Company Limited by Guarantee)**

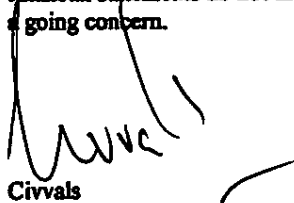
Opinion on the financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of of the company's affairs as at 31 December 2008 and of its deficit 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 1985.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net deficit of £64,188 during the year ended 31 December 2008 and, at that date, the company's current liabilities exceeded its total assets by £18,757. These conditions, along with the other matters explained in the note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.



Civvals

Chartered Accountants and
Registered Auditor

5th Floor Marble Arch House
66-68 Seymour Street
LONDON W1H 5AF
Date:

Association of International Property Professionals Limited
(Company Limited By Guarantee)

Income and Expenditure Account
for the year ended 31 December 2008

		2008	2007
	Notes	£	£
Membership Fees Receivable	2	383,083	390,563
Administrative expenses		(447,450)	(347,546)
(Deficit)/Surplus	3	(64,367)	43,017
Interest receivable and similar income		226	227
		(64,141)	43,244
Tax on interest receivable on ordinary activities	4	(47)	(46)
(Deficit)/Surplus for the year		(64,188)	43,198
Retained surplus brought forward		45,431	2,233
(Accumulated deficit)/Retained surplus carried forward		(18,757)	45,431

The notes on pages 8 to 11 form an integral part of these financial statements.

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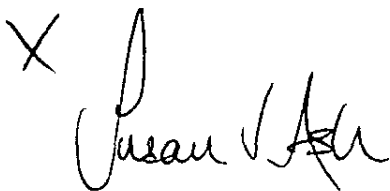
Balance Sheet
as at 31 December 2008

	Notes	2008 £	2007 £
Fixed Assets			
Tangible assets	5	6,806	746
Current Assets			
Debtors	6	38,940	63,428
Cash at bank and in hand		220	33,727
		<u>39,160</u>	<u>97,155</u>
Creditors: amounts falling due within one year	7	<u>(64,723)</u>	<u>(52,470)</u>
Net Current (Liabilities)/Assets		<u>(25,563)</u>	<u>44,685</u>
Total Assets Less Current Liabilities		<u>(18,757)</u>	<u>45,431</u>
Capital and Reserves			
Capital	8	-	-
The Company is limited by Guarantee			
(Accumulated Deficit)/Reserves	9	<u>(18,757)</u>	<u>45,431</u>

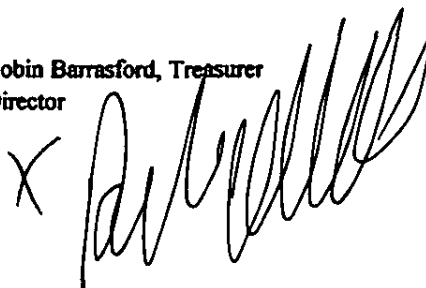
The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

The financial statements were approved by the Board on 10 December 2009 and signed on its behalf by

Sue Ash, Chair
Director

X 

Robin Barrasford, Treasurer
Director

X 

The notes on pages 8 to 11 form an integral part of these financial statements.

**Notes to the Financial Statements
for the year ended 31 December 2008**

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Whilst recognising the accounts format requirements of the Companies Act 1985, the directors consider that the terminology contained therein does not wholly suit a non profit organisation. The formats have therefore been adjusted to include headings relevant to the company's activity in order to show a true and fair view.

1.2. Turnover

Turnover comprises the non refundable membership fees receivable during the period. The fees are not refundable and not time apportioned.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 25% Straight Line
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1.4. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5. Going Concern

Due to the current economic conditions, the membership of the company has suffered as the banks have been reluctant to lend money for property related transactions. Many members have become insolvent or unable to trade profitably and as a result have not maintained their membership with the company. During the year ended 31 December 2008 the company suffered a net deficit amounting to £64,188 and the current liabilities exceed total assets by £18,757. The directors consider that the going concern basis for the preparation of the financial statement is appropriate as they have taken steps to control cost after the year end and this has resulted in adequate funding going forward together with the continued support of their creditors.

2. Turnover

In the period to 31 December 2008, 37% (2007 :28%) of the company's turnover was derived from markets outside the United Kingdom..

(Company Limited By Guarantee)

Notes to the Financial Statements
for the year ended 31 December 2008

..... continued

3. Operating profit	2008	2007
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	1,857	254
Operating lease rentals		
- Land and buildings	20,793	14,288
Auditors' remuneration	2,415	2,468
No directors' remuneration paid.		
4. Taxation	2008	2007
	£	£
UK current year taxation		
UK Corporation Tax	47	46
5. Tangible fixed assets	Fixtures, fittings equipment	Total
	£	£
Cost		
At 31 December 2007	1,337	1,337
Additions	7,917	7,917
At 31 December 2008	9,254	9,254
Depreciation		
At 31 December 2007	591	591
Charge for the year	1,857	1,857
At 31 December 2008	2,448	2,448
Net book value		
At 31 December 2008	6,806	6,806
At 31 December 2007	746	746

(Company Limited By Guarantee)

Notes to the Financial Statements
for the year ended 31 December 2008

..... continued

6. Debtors

	2008	2007
	£	£
Trade debtors	36,388	61,348
Other debtors	1,392	-
Prepayments and accrued income	1,160	2,080
	<u>38,940</u>	<u>63,428</u>

7. Creditors: amounts falling due
within one year

	2008	2007
	£	£
Bank overdraft	7,739	-
Trade creditors	41,262	35,575
Corporation tax	47	45
Other taxes and social security costs	12,360	13,207
Accruals and deferred income	3,315	3,643
	<u>64,723</u>	<u>52,470</u>

8. Capital

The Company is limited by Guarantee and does not have a Share Capital.

Every member of the Company undertakes to contribute to the assets of the Company in the event of the same being wound up during the Member's period of Membership or within one year afterwards for the payment of the debts and liabilities of the Company contracted before the Member ceases to be a member and of the costs, charges and expenses of winding up the same and for such amounts as may be required not exceeding in the case of any Member the sum of £1.

There were 405 (2007 : 361) members at the Balance Sheet date.

(Company Limited By Guarantee)

**Notes to the Financial Statements
for the year ended 31 December 2008**

..... continued

9. Reconciliation of movements in members' funds

	2008	2007
	£	£
(Deficit)/Surplus for the year	(64,188)	43,198
Balance at 31 December 2007	<u>45,431</u>	<u>2,233</u>
Balance at 31 December 2008	<u>(18,757)</u>	<u>45,431</u>

10. Financial commitments

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	2008	2007
Within one year	<u>13,920</u>	<u>21,192</u>

