

Annual Report

Welcome

The Council members of the Architectural Association (Incorporated) – the AA or the Association – present their statutory report together with the financial statements of Architectural Association (Incorporated) for the year ended 31 July 2025. The results of the Association’s wholly owned subsidiary, Architectural Association Publications Limited have been consolidated into these financial statements on a line by line basis.

The financial statements have been prepared in accordance with the accounting policies set out in the attached financial statements and comply with the charitable company’s memorandum and articles of association, applicable law and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and also constitutes a directors’ report as required by section 418 of the Companies Act 2006.

The Governance arrangements are explained in more detail in the Corporate Governance Statement.

AA School

The Architectural Association (AA) is the oldest school of architecture in the UK. The AA was founded in 1847 as a student-centred collective that aspired to radically transform architectural education. The outcome of this is an environment that encourages students to speculate without limitations, take risks with confidence and cultivate individual, radical research agendas that will shape the future of the architectural discipline. Today, we continue to be a school that is constantly on the move, progressively redefining the nature of architecture both in academia and in practice worldwide. As a participatory democracy, this endeavour relies on the students to contribute continuously to the identity of the School and to critically engage with the broader cultural discourse in London and beyond.

Today, the School occupies 10 Georgian houses in the centre of London, as well as a 350-acre woodland site at Hooke Park in Dorset. Quite unlike any other institution operating today, the School offers a broad range of flexible and self-directed programmes, courses and curricula that empower students and staff to challenge the accepted methods within contemporary architectural education and professional practice.

The AA is an Approved Provider registered with the Office for Students (OfS), England’s independent regulator of higher education (The OfS Register). The AA is a recognised body under the Education (Recognised Bodies) (England) Order 2020 following the authority to grant its own taught degrees (Foundation, Bachelor and Master level) by the Lords of Her Majesty’s Most Honourable Privy Council in October 2019 (The Education (Recognised Bodies) (England) Order 2020 (legislation.gov.uk)), and is licensed by UK Visas and Immigration (UKVI) to sponsor student visas. Register of licensed sponsors: students – GOV.UK (www.gov.uk).

Council Members' Report with Strategic Report 31 July 2025

Major Developments in the Year

We welcomed the first beneficiary of the Albukhary Foundation scholarship this year from Sudan and we look forward to the ongoing support for this initiative.

Throughout the year, the school strengthened and expanded its network of collaborators. *Distillation of Architecture*, an exhibition and programme of events in Term 2, celebrated three decades of partnership between the AA and MAEDA Corporation, bringing craftspeople and architects from Japan to exhibit furniture and installations within the school, as well as an event and exhibit at Japan House London. In Venice we presented *Margherissima*, a Special Project for the 19th Annual Architecture Exhibition realised by AA students in collaboration with Nigel Coates, Grymsdyke Farm and a network of artists, filmmakers and designers. Back in London, the school hosted the First Nations Creative Directors of the Australia Pavilion at the Biennale, and our spaces on Montague Street exhibited photography by Iwan Baan documenting the urban landscapes of Las Vegas and Rome – the first in what we hope will be an ongoing series of photographic exhibitions on these premises. The AA Gallery exhibition *Ripple Ripple Rippling* documented a decade of creative engagement by AA alumni Jingru Cyan Cheng and Chen Zhan with a community in rural China.

Two new academic programmes reached major milestones this year, with the first recruitment cycle for the Conservation and Reuse postgraduate programme concluding with a healthy cohort of 12 students registered to begin their studies in autumn 2025. The new AA Transfer programme, designed to prepare graduates from other disciplines to enter the AA Diploma Programme, completed validation in summer 2025 and is open for applications from autumn 2025. Elsewhere, work continued on the development of the school's new Incubator programme, which will launch its first short courses in early 2026.

At Hooke Park, a major project is underway to realise the expansion of Wakeford Hall,

which will create a new focal point at the heart of our woodland campus. A roof structure, supported by the 'Tree and the Truss' system designed by Design and Make students, went out to tender in summer 2025 and is undergoing value engineering.

The school community came together to celebrate the end of the academic year in a jubilant graduation ceremony in Bedford Square Gardens, which culminated in the opening of the *Projects Review 2025* exhibition. During the event, the AA Honorary Diploma was awarded to Su Rogers to honour her achievements in architecture.

The school's international community of alumni enjoyed renewed opportunities to come together and connect with one another this year through a series of gatherings organised by the school in Seoul, Taiwan, Bangkok, Kuala Lumpur, Milan and Mexico City, many of which were attended by AA Director Ingrid Schroder.

RIBA 2020–25 Validation

In October 2020, the Royal Institute of British Architects (RIBA) unconditionally revalidated the AA for five years. The RIBA has revalidated our Part 1, Part 2 and Part 3 programmes until 2025. A revalidation visit for 2025–30 is scheduled for autumn 2025.

Objectives and Activities

In fulfilment of its charitable objects – to promote and afford facilities for the study of architecture for the public benefit – the AA operates a school of architecture (the School) and delivers a public programme of architectural lectures, symposia, exhibitions and publications.

Financial Review

In summary, the total income for the year was £24.8m (2024: £23.7m) with expenditure of £25.0m (2024: £23.1m).

The net deficit of £0.1m (2024: £0.5m surplus) is marginally below the breakeven budget

for the year. Net assets decreased by £0.1m (2024: £0.5m increase) including a net increase of fixed assets of £0.4m (2024: £1.6m increase) as we continue to improve our estate and infrastructure, including the completion of the refurbishment of the Mark Cousins Lecture Hall and continued improvement to our digital provision.

The financial statements consolidate the results of the wholly-owned subsidiary, Architectural Association Publications Ltd.

Accounting Policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty for the preparation of the financial statements are laid out on pages 29 to 32.

Going Concern

The Council Members consider the group and charity to be a going concern, supported by reserves and cash levels above the minimum required by the reserves policy and future budgets and financial projections forecasting financial performance that will enable the Association to continue to operate under its current model for the foreseeable future, being in excess of 12 months from the date this report is approved.

Reserves Policy

The AA Council has approved a reserves policy which takes a risk-based approach to evaluating the target reserves level and has set a target level of unrestricted funds of £15.6m as well as a minimum cash holding of £10.4m. This policy reflects sector best practice and the Charity Commission guidance Charity reserves: building resilience (CC19) and is reviewed regularly. At 31 July 2025, unrestricted funds were £27.5m (176% of minimum) (2024: £27.8m; 178%) and cash holding was £11.4m (110% of minimum) (2024: £13.2m; 114% of minimum).

In November 2025, the AA Council has reviewed the target reserves levels in line with the Reserves Policy and has revised the target levels to £15.0m minimum unrestricted reserves and £9.6m minimum cash holding.

The actuals as at the balance sheet date are in excess of these levels, as are future forecasts.

Environmental Impact and Carbon Reporting

The AA is committed to minimising the environmental impact of its operations, as well as promoting sustainable and responsible architecture through our education and research. The AA Low Carbon project (lowcarbon.aaschool.ac.uk) promotes an open and honest dialogue, alongside Climate Matters Week, which brings together the entire School to consider this huge, global challenge.

Annual reporting of the School's environmental impact, under Streamlined Energy and Carbon Reporting (SECR) requirements, is summarised below:

- UK Energy Use (kWh): 1,921,118 (2024: 1,589,900)
- Associated greenhouse gas (GHG) emissions (tCO₂e): 359.2 (2024: 308.2)
- GHG emissions (tCO₂e) per student: 0.410 (2024: 0.341)

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2025 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations. The report has been reviewed independently by Zenergi Limited (trading as Briar Consulting Engineers Limited).

In the reporting period, the AA has taken the following energy efficiency actions:

- Installed a total of seven smart meters, covering electricity and gas usage.
- Students and staff are frequently reminded to switch off the lights where lighting is not required.
- Thermostatic radiator valves (TRVs) are continually being installed and replaced throughout the school so users can turn down the heating and mitigate energy waste.
- The insulation of pipework across the school is continuously monitored, with replacements carried out where

- necessary to maintain energy efficiency.
- Light fittings are systematically upgraded to LED technology during maintenance and whenever replacements are required.

Equal Opportunities

The AA aims to create conditions that ensure staff and students are treated solely based on their merits, abilities and potential, regardless of their gender, race, religious or political beliefs, ethnic or national origin, disability, family background, age, sexual orientation or other irrelevant distinction.

Accessibility

The AA seeks to welcome and accommodate all visitors, staff and students. The Bedford Square premises are not fully accessible to wheelchair users, and due to the restrictions associated with listed buildings, resolving this issue is not currently possible. Despite this, the AA is committed to making arrangements that facilitate participation in AA life as inclusively as possible for all visitors, staff and students. The School is actively working to find ways to overcome the accessibility limitations inherent in its premises, seeking solutions that will enable significant improvement in this regard in the future.

Future Developments

The AA aims to continually enhance its learning and teaching methodologies by envisioning a student experience that is unparalleled within architectural education. The school is embarking upon a variety of projects that will help realise the AA's five-year plan, which was presented by Director Ingrid Schroder in Term 1 of the 2023–24 academic year.

Work is continuing in the coming year on a project to interrogate and disseminate the contents of the Department of Tropical Architecture (DTA) archives that are held at the AA. The school was awarded a Graham Foundation Institutional Grant in 2023 for the project, which is titled *Entangled Archive: A Digital Framework for Collecting and Sharing the Dispersed Legacy of the AA's DTA*. The project will catalogue and digitise existing archival material, and trace the legacy of the

department through interviews, outreach and research. A new online platform for the project is in development, aligned with the work on the new AA website, to make the DTA material in the AA Archive more readily available to researchers worldwide. We look forward to the website launch in January 2026.

Several new titles are in development and production as we continue to expand our publishing activities following the relaunch of AA Publications in autumn 2024. The 2024–25 open call for publication proposals attracted more than 30 submissions from authors and editors within and beyond the school, with six new titles approved by the Editorial Board for development. A dedicated programme of AA Publications launch events continues to catalyse conversations around our books and attract a wide audience within the architectural community.

As part of an enhancement to the Taught Postgraduate Programme and its ten programmes, courses will be introduced that connect students to shared research skills and methods through digital design tools, software, methods of fabrication and technique, and digital and physical model making. The consolidation of courses will allow for cross-collaboration between the programmes creating new forms of practice for students within and beyond their areas of focus.

A project is nearing completion to develop a new website for the AA which will revitalise our digital presence. The appointed design and development consultancy, Linked By Air, are working closely with the school's Communications Studio and Digital Platforms departments on the final stages of content population and debugging. The new website is scheduled to launch in winter 2026, and will significantly improve accessibility to our programmes and public activities for an international audience.

As part of a second phase for the new website project will also include a revamped Membership portal that will allow students, staff and alumni to make connections around the world and within the local communities they are working within. A map-based design

will provide members with the ability to locate individuals and groups based on similar interests, expertise and geographic location and open up new links between our members and practices and institutions around the world.

We are looking forwards to the work of our students being recognised in December at the RIBA President's Medals awards ceremony.

Status

The AA is a company limited by guarantee, incorporated on 13 November 1920, registered as a charity in England and Wales on 9 September 1963 and as an Approved Provider with the Office for Students on 18 March 2019.

Public Benefit

The AA Council believe they have complied with the duty in section 4 of the Charities Act 2011 to have due regard for the public benefit as that term is understood for the purposes of the law relating to charities in England and Wales.

Public Benefit Statement

Education and Research

The School offers the following courses and programmes: the Foundation Course (AA Foundation Award in Architecture); the Intermediate Programme (years one to three of the five-year course in architecture), leading to the award of BA(Hons) (ARB/ RIBA Part 1); the Diploma Programme (years four and five of the five-year course in architecture), leading to the award of MArch and the AA Diploma (ARB/ RIBA Part 2); and ten Taught Postgraduate Programmes leading to PGDip, MA, MSc, PG MArch, MFA and Taught MPhil awards.

The AA is an Accredited Research Centre (ARC) of the Open University for the delivery and validation of the PhD degree. Additionally, applications are taken throughout the year for two RIBA Part 3 courses. In addition to the full-time courses on offer at the AA, a vast array of short courses and workshops take place around the world throughout the year as part of the AA Visiting School, an Autumn and Spring Semester Programme available to students from other universities to experience the AA for a term, and a Summer School, which is accompanied by a dedicated series of Public Programme events. Led by notable architects, designers, critical thinkers and AA tutors from across the globe, these courses aim to generate new forms of discourse, and stimulate creative minds of all ages and backgrounds.

Public Programme and Publications

The AA Public Programme is an ever-evolving collection of lectures, exhibitions, workshops, symposia, open seminars, gallery talks, building visits and performances dedicated to contemporary architectural culture. Speakers and participants include emerging architects, artists, scholars and professionals in related fields. Events are free and open to the public, and bring together interdisciplinary audiences locally within the physical space of the Lecture Hall, and globally in the virtual realm of the AA YouTube channel.

The 2024–25 programme included a collaboration between Japan House and the AA entitled *The Essence of Architecture: Material Conversations*, a series of presentations by practices reshaping the environment. These discussions continued at the AA at the *Distillation of Architecture* symposium and exhibition celebrating 30 years of partnership between the school and MAEDA Corporation. Exhibitions included displaying the photorealistic artworks of Andrew Holmes in *Gas Tank City*, Iwan Baan's photographic spectacle of improbable buildings and infrastructure in *From Las Vegas to Rome*, and *Ripple Ripple Rippling*, a multisensory exhibition which examined the hidden changes reshaping Chinese rural homes and village landscapes.

The year culminated with *Projects Review 2025* – our annual end-of-year exhibition – which framed the school's units and programmes as an archipelago of islands, atolls and landmasses in the collective current of the AA.

AA Publications are essential to the cultural and academic production of the institution, and facilitate the development of critical architectural discourse worldwide. They are produced in-house by a team of editors and graphic designers operating under the aegis of the Communications Studio. The department is dedicated to the dissemination and communication of architectural writing and digital content, which includes *AA Files*, the School's journal of record, the student-led *AArchitecture* pamphlet, and a series of books and e-books with authors internal and external to School, as well as social media initiatives. Publications realised in 2024–25 included the *AA Book 2025*, celebrating the work of students across the School during this academic year; *Reyner Banham: A Set of Actual Tracks*, a series of essays reflecting on the work of the famed architectural critic; and the launch of *Concering...*, a series of small books edited by AA Director Ingrid Schroder that brings together voices from the AA and external to the school to write about immediate issues were published during the year. Forthcoming titles include *Seeding Change: Visionary Timber Architecture at Hooke Park 1981–2001* which provides an early history of

the buildings at our Dorset campus and *As Hardly Found in the Art of Tropical Architecture* which delves into the artworks connected to the Department of Tropical Architecture. Interviews with Public Programme speakers and a series of readings of essays in *AA Files* were part of our podcast initiative.

Value for Money

By attending the AA School, our students are making a considerable investment in their future, both in time and money. The School provides a structure that allows for an individualised and personal experience, and there is a range of ways in which we provide good value for money.

Therefore, this will vary from person to person, based on their course of study, individual needs and interests, and the services and facilities they access. There are four main ways that we offer value for money for students at the AA:

- Through the quality of teaching and learning, and the value that our students get from their experience of studying architecture both now and in the long-term as alumni of a well-respected architectural school with a global presence
- The wider benefit that studying provides, including transferable skills and developing career prospects
- The way that higher education institutions benefit society as a whole
- The efficiency and effectiveness with which the School's finances are managed – see this report and the Annual Review on Finances – income and outgoings

We are subject to regulation to ensure that we are behaving responsibly and fulfilling our obligations to our students through the Office for Students (OfS), as well as the requirement to publish our financial statements.

AA Hardship Fund

The AA Hardship Fund (AAHF) continues to support students who made realistic and adequate financial provisions at the outset of the academic year but, due to unforeseen circumstances, were faced with unexpected financial hardship impacting their ability to

complete studies.

The AAHF comprises funds from the School's annual operating budget and donations received specifically as support to the stated intention of the funding provision. During the year, the AAHF helped 99 students (2024: 119) with funding of £46,638 (2024: £122,950).

Architectural Association Foundation

The Architectural Association Foundation (charity no 328455), established in 1989, supports the AA in its charitable objects by assisting in funding scholarships, bursaries, educational resources, named prizes and travel awards, as well as specific funding for our Public Programme and staff development opportunities. In 2024–25, the AA received philanthropic income of £272,000 (2024: £246,000) through the Architectural Association Foundation.

Fundraising Arrangements

Whilst the AA benefits from several generous financial benefactors, it does not engage external fundraisers and has not entered any commercial participation arrangements. All fundraising activity is conducted within the regulations and framework set out by the Office for Students (OfS), and the AA is committed to following best practice in respect of fundraising and guidance from the Charity Commission and Fundraising Regulator. When donations from individuals are received, the AA protects personal data and never sells or swaps data with other organisations. The AA is committed to investigating and responding to any complaints regarding fundraising activities and aims to learn from any issues to improve the institution's service. During the year, the AA received no complaints about fundraising activities.

Corporate Governance Statement

Governing Documents

The charity was established under a Memorandum of Association and is governed in accordance with the object and powers set out in its governing documents, the Articles of Association and By-laws (last amended 24 July 2017).

Objects of the AA

The objects for which the AA was established are to promote and afford facilities for the study of architecture for the public benefit.

School Community

The School Community, comprising students, staff and Council members (with the exception only of the School Director), is a feature of and forum in the AA's corporate governance which facilitates the School's ethos of participatory democracy by acting as both an advisory body to the School Director and as a voting body making recommendations to Council on important matters, including the future direction of the AA School.

The AA Council

Council is the AA's governing body. Led by the President, it is made up of Council members elected from the AA's Membership together with others appointed specifically for skills necessary to oversee the delivery of the AA's objectives and future strategic direction. Council includes the School Director, an elected staff member and an elected student member, ensuring all constituencies of the school are represented at the highest level of governance.

To facilitate the inclusion on the AA Council of the School Director, a staff member and a student member, the AA received Charity Commission approval in 2017 to include in its Articles of Association (Art 6(b)) a provision which permits payment to a Council member who is an AA student in receipt of assistantship, bursary or scholarship, to the School Director, or to an employee of the AA, provided such payment is not made to

remunerate the person for duties as a Council member and that the number of people so remunerated shall not exceed three. Details of such payments are disclosed within the Financial Statements.

Council meets at least four times a year to provide strategic oversight, monitor financial health and review key policies, initiatives, activities and plans.

Committees of Council

Council delegates authority to the following committees to consider and report on matters in their respective remits.

The Finance and Audit Committee has oversight of a programme of work that offers assurance to Council on the adequacy and effectiveness of the internal control mechanisms, risk management, governance, and financial sustainability of the AA. The Committee is responsible for overseeing the financial performance of the AA and ensuring appropriate actions are taken by management in response to any opportunities or risk in respect of financial performance.

The Estates and Infrastructure Committee ensures that the AA is effectively managing, and developing its estate and infrastructure for the benefit of AA staff, students and members, and in ways that further the Strategic Direction of the AA. The Committee ensures the AA is identifying and responding to risks arising from its estates and infrastructure and is fulfilling its legal and regulatory responsibilities including health and safety.

The Nomination, Remuneration and Governance Committee oversees the succession planning, selection and recruitment of Council and Committee membership, the President and School Director; seeking to ensure the Council has the right balance of skills and experience to meet the opportunities and challenges at the AA. The Committee also sets senior management and the School Director's remuneration packages, and keeps under review the effectiveness of the AA's corporate governance.

The Academic Assurance Committee offers to Council assurance on the quality and standards of the academic offer and that the student learning experience at the School is being monitored, maintained and enhanced. The Committee ensures that the requirements of the validating partners, Professional Statutory and Regulatory Bodies (PSRB), and Office for Students are being fulfilled.

School Director Review and Remuneration

The Nomination, Remuneration and Governance Committee considers a wide range of evidence in assessing the remuneration proposals for those in leadership positions. These reflect the relevant aspects of the remuneration guidance set out by the Committee of University Chairs.

Statement of Council Members' Responsibilities

As the AA is constituted as a charitable company, Council members are both charity trustees and company directors. As such, Council members are responsible for preparing the Council Members' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (the United Kingdom Generally Accepted Accounting Practice).

Company law requires Council Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group, and of the income and expenditure of the group for that period. Under company law, trustees 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 charitable company, and of the income and expenditure of the group for that period.

In preparing these financial statements, Council Members are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in Accounting and Reporting by Charities:

Statement of Recommended Practice (SORP) applicable to charities, the OfS Accounts Direction and the Financial Reporting Standard applicable in the UK and Ireland (FRS 102)

- Make judgements and estimates that are reasonable and prudent
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

Council Members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Each of the Council members confirms that:

- So far as he or she is aware, there is no relevant audit information of which the charitable company's Auditor is unaware
- He or she has taken all the steps that he/she ought to have taken as a Council Member to make himself/herself aware of any relevant audit information and to establish that the charitable company's Auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Council Members are responsible for the maintenance and integrity of financial information included on the AA's website: www.aaschool.ac.uk. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Recruitment and Appointment of Council Members

The Council recruits members through a variety of methods. Independent members of Council (ie members who are not employed by or studying at the AA) are either elected by the AA's membership or appointed directly by Council for specific skills and experience following an open recruitment process. Council appoints a student member who is elected by the student body and a staff Council member is elected by staff. The School Director is an ex-officio member of Council. Independent members are appointed for an initial term of three years renewable by mutual agreement for an additional three-year term. The student Council member is appointed for one term of three years, on the basis they remain a student of the AA. The staff Council member is appointed for one term of three years, on the basis they remain a staff member of the AA.

The process is overseen by the Nominations, Remuneration and Governance Committee, and any new appointees receive induction training to introduce them to the AA's work and to ensure an appropriate level of understanding of governance, legal duties and regulatory duties. Ongoing training is available as and when required, using internal and external resources. The Chairs of Committees ensure appropriate inductions for new members of their Committee.

Internal Control Statement and Risk Management

The key objective of the AA's risk management activities is to ensure policies and internal controls are in place to manage risks that could impact the AA's ability to achieve its goals or maintain its reputation.

The AA considers risk under the following categories:

1. Strategy and Leadership
2. Education and Student Experience
3. Environmental
4. Political
5. Economic and Regulatory

The Finance and Audit Committee provides impartial advice to the Council on the discharge of the Council's responsibilities for the effectiveness of risk management, internal control and management systems, and for the economy, efficiency and effectiveness with which the AA's activities have been discharged.

All significant risks inherent to the AA's operations are identified, assessed and managed as part of this process. The Senior Management Operations group regularly review the corporate risks faced by the AA and the effectiveness of the mitigation. The corporate risk register informs the annual operational plan of the AA ensuring the completion of the agreed mitigating actions.

The AA retendered its internal auditor services in June 2024, and appointed KCG as its new Internal Auditor from August 2024 upon an initial three year term. During 2024–25 KCG completed internal audits of cybersecurity (human risk management), student wellbeing, accounts receivable and project management. The internal auditor has issued a Satisfactory Assurance annual internal audit report for 2024–25. The internal auditor reports into the Finance and Audit Committee who oversee the internal audit plan for each year and the implementation of the management responses to the recommendations made. The AA will continue to utilise its internal auditor and other external specialists as required to support the AA's oversight and improvement to compliance, risk management, internal controls and governance processes.

The AA adopted a new Risk Management Framework in March 2024 including a risk appetite statement which seeks to improve the identification and scoring of risks taking into account the strategic plan and related risk tolerance levels. For each risk identified a score is assigned based on the likelihood and impact of the respective risks, and this score is recorded alongside further mitigating actions to be taken on the Risk Register reviewed at every meeting of the Finance and Audit Committee and bi-annually by Council.

The Council recognises that the application of

risk management processes cannot eliminate all risk exposure, especially during a time of geopolitical challenges and vulnerability in the HE sector. This Internal Controls and Risk Management Framework covers the financial year to 31 July 2024 and the period to the date of approval of these financial statements.

Significant Risks

The most significant risks and uncertainties that the AA faces as an organisation at the time of this report are:

1. Geopolitical instability and tensions across the world increasing, leading to less predictability on student numbers and reducing the financial stability of the AA.

The AA has a large international student body and the ongoing conflicts and geo-political tensions around the world create potential instability for applicants in relation to financial security as well as the ability to obtain the required visas for study in the UK. There is also a risk of increased use of financial sanctions that can impact the ability of students to come to the UK for study. The AA continues to improve its outreach and recruitment efforts, and fundraise for more bursaries and scholarships with the aim of increasing the diversity of the students attending the AA.

2. UK government decisions that reduce the ability of students and staff to attend the AA, and the AA Inc's ability to maintain financial stability.

As a higher education institution that is heavily reliant on international student fees for its income, the AA recognises the impact that UK government policy decisions that seek to reduce immigration have on the cost of education to international students, and how welcoming the UK is as a place of study. The AA seeks to mitigate the impact through the availability of scholarships and bursaries, careful budget management and horizon scanning to minimise the impact of any government imposed costs on the student experience. The AA continues to make itself an unique place of study that people want to join despite the challenge of government policy and media reporting of the same.

3. Cyber security incident resulting in the loss of access to the whole or part of AA premises, contents, loss of high-risk personal data or inability to access vital IT systems.

The AA like all higher education institutions relies heavily on effective IT infrastructure for its day to day operations, and holding vital records. The AA recognises the heightened threat of cybersecurity attacks and the impact these have had on institutions within the UK including their ability to operate, loss of personal data, financial and resource difficulties and the reputational damage. During this year, the AA has instigated new cybersecurity training for staff, a revised information security policy, and completed an internal audit on cybersecurity human risk factors. Resource availability for cybersecurity remains a priority.

A corporate risk register is maintained and regularly reviewed by the Senior Management Team and AA Council.

Corporate Governance Statement

The Council members, who were members throughout the year except where shown, were:

Council members (trustees and directors) 24/25

Catherine du Toit (President)
Ravin Ponniah (Vice President)
Mark Bassett
Sara Biscaya
Trevor Bolton
Mark Burch
Jonathan Brierley
Alison Brooks
Pui Quan Choi
David Dernie
Omatayo Edem
Susannah Hagan
Béné Jakel
Caspar Llewellyn Smith
Simine Marine
Steven Mertz
Ingrid Schroder
Ben Stirling
Cynthia Walters
Stephen Ware

School Director

Ingrid Schroder

Senior Management Team

Mike Aling, Head of Teaching
Kate Davies, Head of Hooke Park
Ryan Dillon, Head of Communications
Belinda Flaherty, School Registrar
Anna Font-Vacas, Head of Learning
Roberta Jenkins, Assistant to the School Director
Joel Newman, Head of Academic Resources
Anita Pfauntsch, Head of Estates and Facilities
Christopher Pierce, Head of Visiting School and QAA Facilitator
Ingrid Schroder, School Director
Robert Scully, Head of Finance
Manijeh Verghese, Head of Public Engagement
Tiger Wang, Chief Technology Officer
Michael Weinstock, Head of Research
Louise Wilkins, Company Secretary and Head of Legal

Company Secretary

Louise Wilkins

Appointment/Resignation

Resigned 31 May 2025
President from 1 June 2025
Appointed 15 October 2024
Vice-President

Appointed 15 October 2024
Resigned 30 September 2024

Resigned 13 August 2024
Appointed 15 October 2024
Resigned 14 July 2025
Resigned 20 June 2025
Appointed 15 October 2024

to 20 September 2024

External Auditor Buzzacott Audit LLP
130 Wood Street
London
EC2V 6DL
www.buzzacott.co.uk

Bankers HSBC
69 Pall Mall
London
SW1Y 5EY
www.hsbc.co.uk

Lloyds
25 Gresham Street
London
EC2V 7HN
www.lloydsbank.com

Solicitors Bevan Brittain LLP
Kings Orchard
1 Queen Street
Bristol
BS2 0HQ
www.bevanbrittan.com

Internal Auditor KGC Audit Ltd
7 Bell Yard Street
London
WC2A 2JR
www.kcgaudit.co.uk

AUDITOR'S INFORMATION AND SIGNATURES

The Association's Auditor, Buzzacott Audit LLP, is willing to continue in office and a resolution proposing their reappointment and authorising the Finance and Audit Committee to fix their remuneration will be put to the annual general meeting.

Company number: 00171402

Approved by Council Members on 20 November 2025 and signed on their behalf by:



Ravin Ponniah
President



Ingrid Schroder
Chief Accountable Officer

Independent Auditor's Report to the Members of Architectural Association (Incorporated)

Opinion

We have audited the financial statements of Architectural Association (the 'charitable parent company') and its subsidiary (the 'group') for the year ended 31 July 2025 which comprise the group statement of financial activities, the group and charitable parent company balance sheets and statement of cash flows, the principal accounting policies and the notes to the financial statements. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 July 2025 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have

obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on other matters prescribed by the Office for Students

In our opinion, in all material aspects:

- funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- the requirements of the Office for Students' accounts direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Office for Students requires us to report to you where:

- the charitable company's grant and fee income, as disclosed in note 4 to these financial statements, has been materially misstated.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Council Members' 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 and charitable parent 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 Council Members with respect to going concern are described in the relevant sections of this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Council Members' report, which is also the directors' report for the purposes of company law, includes the strategic report for the financial year which the financial statements are prepared is consistent with the financial statements; and
- and the Council Members' report, which is also the directors' report for the purposes of company law and includes the strategic

report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Council members' report including the strategic 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 by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Council Members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Council Members

As explained more fully in the Council members' responsibilities statement, the Council Members (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council members 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 Council members are responsible for assessing the group's and the charitable parent 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 Council members either intend to liquidate the Group or the charitable parent 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.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and

regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Companies Act 2006, OfS regulations, data protection legislation, and antibribery, safeguarding, employment and health and safety legislation;

- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, as well as their knowledge of actual, suspected and alleged fraud; and
- 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 journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias.

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;

- reviewing the minutes of Council members' meetings; and
- enquiring of management as to actual and 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 the Council members and other management and the inspection of regulatory and legal correspondence, if any.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable 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 charitable 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott Audit LLP

Katharine Patel

Senior Statutory Auditor
for and on behalf of Buzzacott Audit LLP
Statutory Auditors
130 Wood Street
London
EC2V 6DL

Date: 24 November 2025

Financial Statements



Group statement of financial activities
(including income and expenditure account)
Year ended 31 July 2025

	Notes	Unrestricted funds £'000	Restricted funds £'000	Total 2025 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000
Income from:							
Donations and legacies	1	-	456	456	-	260	260
Investments	2	661	7	668	739	9	748
Trading activities	3	399	-	399	381	-	381
Charitable activities	4	23,316	-	23,316	22,273	-	22,273
Total income		24,376	463	24,839	23,393	269	23,662
Expenditure on:							
Raising funds	3	(209)	-	(209)	(162)	-	(162)
Charitable activities	5	(24,506)	(256)	(24,762)	(22,751)	(230)	(22,981)
Total expenditure		(24,715)	(256)	(24,971)	(22,913)	(230)	(23,143)
Net (expenditure) / income before		(339)	207	(132)	480	39	519
Investment gains/(losses)	11	-	5	5	-	10	10
Net (expenditure) / income for the year		(339)	212	(127)	480	49	512
Other recognised gains/(losses)							
Gains on revaluation of fixed assets		-	-	-	657	-	657
Actuarial (losses)	21	(7)	-	(7)	(60)	-	(60)
Net movement in funds		(346)	212	(134)	1,077	49	1,126
Transfer between funds		5	(5)	-	1,416	(1,416)	-
Reconciliation of funds							
Total funds brought forward		27,831	846	28,677	25,338	2,213	27,551
Total funds carried forward		27,490	1,053	28,543	27,831	846	28,677

The statement of financial activities has been prepared on the basis that all operations are continuing. Further details of the restricted funds are given in note 19. The notes on pages 33 to 45 form part of these financial statements. The profit for the year for the purposes of the Companies Act 2006 is the net income for the year.

Balance sheets 31 July 2025

	Notes	Group		Charity	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Fixed assets					
Intangible assets	8	577	499	577	499
Freehold properties	9	3,968	4,001	3,968	4,001
Long leasehold properties	9	13,670	13,811	13,670	13,811
Other tangible assets	10	7,359	6,893	7,359	6,893
Investments	11	66	66	66	66
Investment in subsidiary	11	-	-	50	50
Total fixed assets		25,640	25,270	25,690	25,320
Current assets					
Stocks	12	260	255	49	45
Debtors	13	2,084	1,279	2,334	1,661
Cash at bank and in hand		11,358	13,177	11,276	12,944
Total current assets		13,702	14,711	13,659	14,650
Current liabilities					
Creditors: amounts falling due within one year	14	(5,024)	(6,918)	(5,018)	(6,910)
Net current assets		8,678	7,793	8,641	7,740
Total assets less current liabilities		34,318	33,063	34,331	33,060
Current liabilities					
Creditors: amounts falling due after more than one year	15	(5,775)	(4,386)	(5,775)	(4,386)
Net assets excluding pension liability		28,543	28,677	28,556	28,674
Pension liability	21	-	-	-	-
Net assets including pension liability		28,543	28,677	28,556	28,674
Funds and reserves					
Restricted funds	19	1,053	846	1,053	846
Total restricted funds		1,053	846	1,053	846
General fund		16,998	17,339	17,011	17,336
Revaluation reserve	20	10,492	10,492	10,492	10,492
Total unrestricted funds		27,490	27,831	27,503	27,828
Total funds	18	28,543	28,677	28,556	28,674

Company number 00171402

The parent charitable company has taken the exemption from preparing a separate statement of financial activities, as permitted by section 408 of the Companies Act 2006. The net loss for the parent charitable parent company was £0.114m (2024: £0.521m net surplus).

Approved by Council Members on 20 November 2025 and signed on their behalf by:

Ravin Ponniah
President



Ingrid Schroder
Chief Accountable Officer



Group statement of cash flows 31 July 2025

		2025	2024
	Notes	£'000	£'000
Cash flows from operating activities:			
Net cash provided by/(used in) from operating activities	A	(1,343)	672
Cash flows from investing activities:			
Investment income		668	748
Purchase of tangible fixed assets		(902)	(1,426)
Net cash (used in)/provided by investing activities		(234)	(678)
Cash inflow from financing activities:			
Repayments of borrowing		(195)	(193)
Interest paid on borrowing		(47)	(54)
Net cash used in financing activities		(242)	(247)
Change in cash and cash equivalents in the year		(1,819)	(253)
Cash and cash equivalents at 1 August	B	13,177	13,430
Cash and cash equivalents at 31 July	B	11,358	13,177
A Reconciliation of net movement in funds to net cash (used in)/provided by operating activities			
		2025	2024
		£'000	£'000
Net movement in funds, as per the statement of financial activities		(134)	1,126
Adjustments for:			
Depreciation and amortisation charge		531	478
(Gains) on investments		(5)	(10)
(Gain) on revaluation of fixed assets		-	(657)
Investment income		(668)	(748)
Actuarial losses		7	60
Defined benefit pension scheme contributions		(154)	(231)
Defined benefit pension scheme interest cost		(8)	4
Actuarial adjustment		152	0
Mortgage and long-term loan interest		47	54
(Increase) in stocks		(5)	(24)
(Increase) in debtors		(805)	(111)
(Decrease)/increase in creditors		(301)	731
		(1,343)	672
B Analysis of cash and cash equivalents			
		2025	2024
		£'000	£'000
Cash at bank and in hand		11,358	13,177
Total cash and cash equivalents		11,358	13,177

Principal Accounting Policies 31 July 2025

Principal accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 July 2025.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statement also meet the requirements of Regulatory advice 9: Accounts direction as required by the Office for Students.

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest thousand pounds.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires members of Council and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- impairment of fixed assets;
- the useful economic lives of tangible fixed assets;
- the pension scheme obligation;
- the bad debt position; and
- measurement of stock at the lower of cost and net realisable value.

Assessment of going concern

The Council Members have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees have made this assessment in respect of the period of one year from the date of approval of these financial statements.

The Council Members have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The trustees are of the opinion that the charity will have sufficient resources to meet its liabilities as they fall due.

Basis of consolidation

The results of the Association's wholly owned subsidiary, Architectural Association Publications Limited have been consolidated into these financial statements on a line by line basis.

The charity has taken advantage of the exemptions in the Companies Act not to present a separate statement of financial activities. The net deficit of the charity was £114,000 (2024: net income £521,000).

Income recognition

Income is recognised in the period in which the charity has entitlement to the income, the amount of income can be measured reliably, and it is probable that the income will be received.

Tuition and membership fees receivable and charges for services and use of premises are accounted for in the period to which they relate. Fees received in advance under the advance fee or deposit scheme are held in the Association bank account and recorded as liabilities until either taken to income in the term when used or else refunded.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is recognised on an accruals basis, inclusive of VAT which cannot be recovered. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to FRS 102 (1 August 2014) are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

On adoption of FRS 102, the charity followed the transitional provision to retain the book value of certain classes of tangible fixed assets as deemed cost but not to adopt a policy of revaluations of these assets in the future.

Assets costing £10,000 or more are capitalised as tangible fixed assets.

Depreciation on freehold buildings is calculated on a reducing balance basis at 2% on cost/valuation for each full year of occupation. No depreciation is charged on freehold land.

Depreciation on long leasehold buildings is calculated on a reducing balance basis over the life of the lease.

A review for impairment of a building is carried out if events or changes in circumstances indicate that the carrying value of the building may not be recoverable.

Depreciation on owned furniture, fittings and equipment is calculated on a straight line basis at 20% per annum.

Library books, special collection and archive are included at the book amounts of previous independent professional valuations, subject to reviews for impairment. No depreciation is provided on these assets. The Council Members consider that this shows a true and fair view because estimated residual value is equal to current use value. Costs incurred in maintaining the condition of these assets are charged to the statement of financial activities.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Intangible assets

Intangible assets represents development costs incurred in the design and implementation of the Association's Student Information System and new website. It is stated at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised over their estimated useful lives, which is estimated at five years and is applied using the straight-line method.

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an asset, the amortisation of that asset is revised prospectively to reflect new expectations.

Listed investments

Listed investments are stated at market value. Gains and losses on disposal and revaluation of investments are charged or credited to the statement of financial activities.

Stock

Stock is valued at the lower of cost and estimated net realisable value.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such financial statements and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Defined benefit scheme

The Association operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Association. This scheme is being accounted for under FRS 102, with any annually calculated notional deficit on the funding of the scheme shown in the financial statements as a designated fund entitled 'pension reserve' which is deducted from unrestricted funds in the balance sheet. Any deficit in the scheme at the year end is shown separately on the balance sheet. Any notional surplus of the scheme is not recognised as an asset of the Association. Independent qualified actuaries complete valuations at least every three years and in accordance with their recommendations, annual contributions are paid to the scheme so as to secure the benefits set out in the rules. The Council Members note that the calculated notional deficit or surplus can vary greatly from year to year depending on the assumptions made at the valuation date, but with normally little or no effect on short term cash flows. This scheme is now closed to the accrual of future benefits.

Group personal pension scheme

Contributions payable to the group personal pension scheme are charged to the statement of financial activities in the period to which they relate.

Operating leases

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

Taxation

The company is a registered charity and is not liable to United Kingdom income tax or corporation tax on charitable activities.

Fund accounting

Restricted funds comprise monies raised for, or which have their use restricted to, a specific purpose, or contributions subject to donor-imposed conditions.

Unrestricted funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

The revaluation reserve is shown separately to general unrestricted funds.

Pension liabilities that are considered to be very long term are deducted from the general unrestricted funds to show the general reserves available in the short and medium term.

1 Donations and legacies (Group)	Unrestricted funds £'000	Restricted funds £'000	Total 2025 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000
Donations (bursaries and scholarships)	-	256	256	-	230	230
Donations (other)	-	200	200	-	30	30
Total	-	456	456	-	260	260

2 Income from Investments (Group)	Unrestricted funds £'000	Restricted funds £'000	Total 2025 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000
Bank interest	661	5	666	737	6	743
Dividend income	-	2	2	2	3	5
Total	661	7	668	739	9	748

3 Income from trading activities and expenditure on raising funds (Group)
 All income from trading activities and expenditure on raising funds relates to trading and is unrestricted (2024: unrestricted).

4 Income from charitable activities (Group)	Unrestricted funds £'000	Restricted funds £'000	Total 2025 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000
School fees	22,323	-	22,323	21,396	-	21,396
Membership subscriptions	161	-	161	162	-	162
Print Centre	203	-	203	209	-	209
Catering income	210	-	210	226	-	226
Other income	419	-	419	280	-	280
Total funds	23,316	-	23,316	22,273	-	22,273

Fee Income Analysis	Unrestricted funds £'000	Restricted funds £'000	Total 2025 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000
Fee income for taught awards	20,482	-	20,482	19,594	-	19,594
Fee income from non-qualifying courses	1,841	-	1,841	1,803	-	1,803
Total fee income	22,323	-	22,323	21,397	-	21,396

5 Expenditure on charitable activities (Group)

	Unrestricted funds £'000	Restricted funds £'000	Total 2025 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2024 £'000
Cost of charitable activities						
School expenses	22,358	256	22,614	20,596	230	20,826
Member services	307	-	307	335	-	335
Book and Slide Library	570	-	570	568	-	568
Print Centre	239	-	239	235	-	235
Publications and Communications Studio	413	-	413	403	-	403
Exhibitions	123	-	123	129	-	129
Catering	496	-	496	485	-	485
Total funds	24,506	256	24,762	22,751	230	22,981

Included in school expenses above:

	Total 2025 £'000	Total 2024 £'000
Interest payable and similar charges		
Long-term loan interest	47	54

6 Staff costs (Group)

Staff costs during the year were as follows:

	Total 2025 £'000	Total 2024 £'000
Wages and salaries	11,958	11,231
Social security costs	1,159	996
Pension costs	618	577
Redundancy costs	91	22
Total	13,826	12,826

The average number of employees for the year, including full-time equivalents (FTE), was:

	2025 FTE	2025 No.	2024 FTE	2024 No.
Academic staff	103	325	100	322
Non-academic staff	124	154	119	146
Publications staff	3	3	3	3
Total	230	482	222	471

6 Staff Costs (continued)

The number of employees with emoluments (including taxable benefits but excluding employer's national insurance and pension contributions) within the following ranges was:

	Total 2025 No	Total 2024 No
£60,001 – £65,000	8	2
£65,001 – £70,000	5	10
£70,001 – £75,000	6	6
£75,001 – £80,000	2	4
£80,001 – £85,000	2	1
£85,001 – £90,000	2	-
£90,001 – £95,000	7	5
£95,001 – £100,000	1	2
£100,001 – £105,000	2	3
£105,001 – £110,000	1	-
£200,001 – £205,000	-	1
£205,001 – £210,000	1	-

Contributions of £196,419 (2024: £165,090) were also made to a personal pension scheme in respect of higher paid staff. These contributions were in respect of 32 staff (2024: 32).

The School Director's remuneration was:

	Total 2025 £'000	Total 2024 £'000
Basic Salary	206	202
Pension Contribution	12	12
Total remuneration	218	214

The School Director's basic salary is 3.4 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff (2024: 3.4). The School Director's total remuneration is 3.4 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff (2024: 3.4).

The key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis comprised the Council members, the Director and the Senior Management Team. The total remuneration (including taxable benefits, employer's national insurance and pension contributions) of the key management personnel for the year was £1,509,936 (2024: £1,455,334) in relation to 13 staff members (2024: 14).

No Council Members received any remuneration from the group or charity during the year, with the exception of one employee of the AA elected to Council (2024: two, who each served part of the year) and the School Director. The total remuneration, including pension contributions, made to these Council Members during their terms was £307,786 (2024: £295,744).

Travel and subsistence expenses reimbursed four members of the Council amounted to £6,949 (2024: £927).

7 Net income for the year (Group)

Net income for the year is stated after charging:

	Total 2025 £'000	Total 2024 £'000
Depreciation		
Freehold buildings	70	70
Long leaseholds	140	142
Other tangible fixed assets	258	202
Auditor's remuneration		
Statutory audit	43	46
Other services	15	3
Operating leases	2,282	2,014

8 Intangible assets (Group and Charity)

	Asset Under Construction (website) £'000	Student Information System £'000	Total £'000
Cost			
At 1 August 2024	-	625	625
Additions	140	-	140
At 31 July 2025	140	625	765
Depreciation			
At 1 August 2024	-	126	126
Charge for the year	-	62	62
At 31 July 2025	-	188	188
Net book value			
At 31 July 2025	140	437	577
At 1 August 2024	-	499	499

9 Properties (Group and Charity)

Freehold land and buildings:

	Land £'000	Buildings £'000	Assets under construction £'000	Total £'000
Hooke Park				
Cost or deemed cost				
At 1 August 2024	600	3,495	368	4,463
Additions	-	-	37	37
At 31 July 2025	600	3,495	405	4,500
Depreciation				
At 1 August 2024	-	462	-	462
Charge for the year	-	70	-	70
At 31 July 2025	-	532	-	532
Net book value				
At 31 July 2025	600	2,963	405	3,968
At 1 August 2024	600	3,033	368	4,001

Long leasehold properties

	34–36 Bedford Square		37 Bedford Square		39 Bedford Square		Total £'000
	Restricted funds £'000	Unrestricted funds £'000	Unrestricted funds £'000	Unrestricted funds £'000	Unrestricted funds £'000	Unrestricted funds £'000	
Group and Charity							
Cost or deemed cost							
At 1 August 2024	540	9,118	1,500	4,226	15,384		
At 31 July 2025	540	9,118	1,500	4,226	15,384		
Depreciation							
At 1 August 2024	64	1,049	176	285	1,574		
Charge for the year	5	82	13	40	140		
At 31 July 2025	69	1,131	189	325	1,714		
Net book value							
At 31 July 2025	471	7,987	1,311	3,901	13,670		
At 1 August 2024	476	8,069	1,324	3,942	13,811		

10 Other tangible fixed assets (Group and Charity)

	Furniture, fittings and equipment £'000	Archives £'000	Library books collection £'000	Total £'000
Cost or deemed cost				
At 1 August 2024	3,702	3,117	1,514	8,333
Additions	724	-	-	724
At 31 July 2025	4,426	3,117	1,514	9,057
Depreciation				
At 1 August 2024	1,440	-	-	1,440
Charge for the year	258	-	-	258
At 31 July 2025	1,698	-	-	1,698
Net book value				
At 31 July 2025	2,728	3,117	1,514	7,359
At 1 August 2024	2,262	3,117	1,514	6,893

11 Investments

Listed investments

	2025	2024
Group and Charity	£'000	£'000
Market value at 1 August	66	56
Disposal	(5)	0
Net unrealised investment (losses)/gains	5	10
Market value at 31 July	66	66
Historical cost at 31 July	6	6

The following listed investments are considered to be material within the Association's investment portfolio:

	2025	2024
	£'000	£'000
JPM UK Strategy Income Fund	66	61

Investments in subsidiary undertakings

Charity	£'000
Cost at 1 August 2024 and 31 July 2025	50

The fixed asset investment in subsidiary undertakings represents the charitable company's holding in its wholly-owned subsidiaries as follows:

Subsidiary undertaking	Principal activities
Architectural Association Publications Limited	Sale and distribution of publications
Hooke Park Educational Trust	Dormant

The results of Architectural Association Publications Limited (company registration number 2475416) are summarised below:

	2025	2024
	£'000	£'000
Turnover	401	367
Cost of sales	(198)	(173)
Gross profit	203	194
Distribution costs	(59)	(41)
Administrative expenses	(164)	(162)
Operating (loss)/profit	(20)	(9)
Retained (loss)/profit	(20)	(9)
Capital and reserves	20	40

12 Stock

	Group		Charity	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Publications	59	63	-	-
Bookshop	152	147	-	-
Print Centre	15	14	15	14
Catering	5	4	5	4
Digital Prototyping Lab (DPL)	23	18	23	18
Model Workshop	2	3	2	3
Wood and Metal Workshop	4	6	4	6
	260	255	49	45

13 Debtors

	Notes	Group		Charity	
		2025	2024	2025	2024
		£'000	£'000	£'000	£'000
Due within one year					
Trade debtors		701	152	697	142
Other debtors		21	14	21	14
Prepayments and accrued income		1,307	1,003	1,307	1,003
VAT debtor		55	110	55	111
Amount due from subsidiary undertaking	11	-	-	254	393
		2,084	1,279	2,334	1,661

14 Creditors: Amounts falling due within one year

	Group		Charity	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Trade creditors	353	578	350	577
Deposits from students and fees in advance	3,304	4,990	3,304	4,990
Other creditors and accruals	845	880	842	873
Long-term loan	207	200	207	200
Other taxes and social security costs	315	270	315	270
	5,024	6,918	5,018	6,910

15 Creditors: Amounts falling due after more than one year

	Group		Charity	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Long-term loan	304	505	304	505
Deposits from students	5,471	3,881	5,471	3,881
	5,775	4,386	5,775	4,386

15 Creditors: Amounts falling due after more than one year (continued)

Long-term loan

In December 2012, the Association took a £2,600,000 long term loan to fund the initial phase of its master plan. This is secured over all the Association's freehold and leasehold properties, and is repayable over fifteen years from January 2013 by monthly instalments. The interest rate is set at 2.8% above the base rate for the term of the loan.

Analysis of debt maturity (Group and Charity)

	2025	2024
	£'000	£'000
Amounts payable for mortgage and long term loans		
Between one and two years	213	202
Between two and five years	91	304
	304	506
In one year or less	207	200
	511	706

16 Lease commitments (Group and Charity)

The charity has commitments in respect of non-cancellable land and building leases falling due as follows:

	2025	2024
	£'000	£'000
Within one year	2,117	2,223
Between two and five years	6,267	7,805
Between five and ten years	3,108	2,985
	11,492	13,013

17 Capital commitments (Group and Charity)

The charity has commitments in respect of capital projects falling due as follows:

	2025	2024
	£'000	£'000
Within one year	91	552

This is in respect of ongoing works to refurbish the Mark Cousins Lecture Hall which completed in August 2024.

18 Analysis of net assets by funds (Group)

	General and revaluation reserves 2025	Restricted funds 2025	Total funds 2025
	£'000	£'000	£'000
Freehold properties	3,968	-	3,968
Long leasehold properties	13,199	471	13,670
Other tangible fixed assets	7,359	-	7,359
Intangible assets	577	-	577
Investments	-	66	66
Net current assets	8,162	516	8,678
Creditors falling due after more than one year	(5,775)	-	(5,775)
	27,490	1,053	28,543

Analysis of net assets by funds (Group – Comparatives)

	General and revaluation reserves 2024	Restricted funds 2024	Total funds 2024
	£'000	£'000	£'000
Freehold properties	4,001	-	4,001
Long leasehold properties	13,334	477	13,811
Other tangible fixed assets	6,893	-	6,893
Intangible assets	499	-	499
Investments	-	66	66
Net current assets	7,489	305	7,794
Creditors falling due after more than one year	(4,386)	-	(4,386)
	27,831	846	28,677

Analysis of net assets by funds (Charity)

	General and revaluation reserves 2025	Restricted funds 2025	Total funds 2025
	£'000	£'000	£'000
Freehold properties	3,968	-	3,968
Long leasehold properties	13,199	471	13,670
Other tangible fixed assets	7,359	-	7,359
Intangible assets	577	-	577
Investments	-	66	66
Investment in subsidiary	50	-	50
Net current assets	8,125	516	8,641
Creditors falling due after more than one year	(5,775)	-	(5,775)
	27,503	1,053	28,556

19 Restricted funds (Group and Charity)

	At 1 August				Investment	At 31 July
	2024	Income	Expenditure	Transfers	gain / (loss)	2025
	£'000	£'000	£'000	£'000	£'000	£'000
John Dennys Memorial Fund	94	-	-	-	-	94
Long Leasehold Fund	476	-	-	(5)	-	471
Miscellaneous School Activities Fund	276	463	(251)	-	-	488
Total restricted funds	846	463	(251)	(5)	-	1,053

Restricted funds (Group and Charity – Comparatives)

	At 1 August				Investment	At 31 July
	2023	Income	Expenditure	Transfers	gain / (loss)	2024
	£'000	£'000	£'000	£'000	£'000	£'000
John Dennys Memorial Fund	84	-	-	-	10	94
Long Leasehold Fund	511	-	-	(35)	-	476
Hooke Park Fund	170	-	-	(170)	-	-
AA Foundation (DPL Fund)	1,211	-	-	(1,211)	-	-
Miscellaneous School Activities Fund	237	269	(230)	-	-	276
Total restricted funds	2,213	269	(230)	(1,416)	10	846

Further details of restricted funds are as follows:

- John Dennys Memorial Fund – To further the study of architecture by endowing an annual visiting lectureship.
- Miscellaneous School Activities Fund – Sponsorship for specific teaching programmes and bursaries and scholarships.
- The Hooke Park Fund and AA Foundation (DPL Fund) all relate to restricted funds for the purpose of funding fixed asset additions. These funds have been utilised for this purpose and were therefore transferred to unrestricted funds in the previous year.
- Long Leasehold Fund – Donations towards the purchase of the lease for 34-36 Bedford Square.

20 Revaluation reserve

Group and Charity	£'000
Balance as at 1 August 2024	10,492
Movement in the year	-
Balance as at 31 July 2025	10,492

21 Pension schemes

Defined benefit pension scheme

The Association operates a defined benefit plan, which is closed to any future accruals, The Architectural Association (Incorporated) Staff Retirements Benefits Plan.

The contributions are determined on the basis of triennial valuations by a qualified actuary using the defined accrued benefit method. The pension cost amounted to £154,000 (2023/24: £231,000), being the deficit funding contribution. Contributions have ceased from March 2025 as the scheme is no longer in deficit.

The most recent triennial valuation was as at 31 July 2024 and showed the market value of the scheme's assets was £3,205,000 and that the ongoing funding level was 96%. The assumptions which have the most significant effect on the results of the valuation are as follows:

- RPI 3.10%
- CPI 2.80%
- Pension increases 3.0-3.4%

The following information is based upon a full actuarial valuation of the scheme at 31 July 2024, updated to 31 July 2025 by a qualified independent actuary using the FRS 102 guidelines.

The next triennial valuation will be at 31 July 2027 and will be completed in 2028.

Employee benefit obligations

The amounts recognised in the balance sheet are as follows:

	2025	2024
	£'000	£'000
Present value of funded obligations	2,831	3,047
The fair value of scheme assets	(3,051)	(3,112)
(Surplus) in scheme	(220)	(65)

The pension scheme surplus of £220k has not been recognised in the financial statements. In such cases where a scheme is in an actuarial surplus position, balances are recognised to the extent that the Association considers recoverable, either through reduced contributions in the future or through refunds from the plan. As the Association does not anticipate being able to recover the surpluses in the aforementioned manner, the surplus is not recognised on the balance sheet, and a corresponding adjustment is made within other recognised gains and losses on the statement of financial activities (as an actuarial loss) to bring the net position for the pension scheme to £nil.

The amounts recognised in the statement of financial activities are as follows:

	2025	2024
	£'000	£'000
Interest on pension plan obligations	148	148
Return on plan assets	(156)	(144)
Total interest expense	(8)	4

21 Pension schemes (continued)

Defined benefit pension scheme (continued)

The changes in the pension deficit are as follows:

	2025	2024
	£'000	£'000
Opening pension deficit	65	(167)
Net interest	8	(4)
Actuarial gain/(loss)	(7)	5
Employer contributions	154	231
Closing pension surplus	220	65

Changes in the present value of the defined benefit obligation are as follows:

	2025	2024
	£'000	£'000
Opening defined benefit obligation	3,047	3,037
Interest cost	148	148
Actuarial (gain)/loss	(212)	42
Benefits paid	(152)	(180)
Closing defined benefit obligation	2,831	3,047

Changes in the fair value of plan assets are as follows:

	2025	2024
	£'000	£'000
Opening fair value of plan assets	3,112	2,870
Return on assets	156	144
Actuarial gain	(219)	47
Employer contributions	154	231
Benefits paid	(152)	(180)
Closing fair value of plan assets	3,051	3,112

As the plan is now fully funded and in surplus, the Association has made no further commitments to additional contributions.

The major categories of plan assets as a percentage of total plan assets are as follows:

	2025	2024
	%	%
Equities	12%	7%
Gilts	33%	32%
Property	0%	8%
Cash	6%	8%
Diversified Credit Funds	19%	10%
Diversified Growth Funds	30%	35%
	100%	100%

21 Pension schemes (continued)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2025	2024
	%	%
Discount rate	5.80%	5.00%
Rate of increase of pensions in payment	2.70%	2.80%
Rate of increase of pensions in deferment	2.70%	2.80%
Inflation assumption	3.00%	3.10%

The trustees have based the mortality assumption on the latest published mortality tables.

Group personal pension scheme

With effect from 1 August 2007, the Association opened a Group Personal Pension Scheme with Scottish Widows which transferred to Aegon in 2012. The employer's contribution rates vary depending upon the employees' length of service. The pension cost charge amounted to £117,426 (2024: £121,051) representing the Association's contributions payable for the year.

As from 1 April 2014 an Auto Enrolment Pension Scheme commenced with Aegon. The pension cost charge amounted to £561,468 (2024: £507,144) representing the Association's contributions payable for the year.

22 Limited by guarantee

The charitable company's liability is limited by the guarantees of its registered members. Each registered member has agreed to accept a liability not exceeding £1 should the company be wound up. At 31 July 2025 the total of such guarantees amounted to £16 (2024: £16).

23 Related party transactions

During the year, the charity provided services of £156,514 (2024: £153,935) and purchased goods and services totalling £87,810 (2024: £70,494) from Architectural Association Publications Limited, a wholly owned subsidiary. As at 31 July 2025 the net debt owed to AA Inc by Architectural Association Publications Limited was £253,803 (2024: £392,742).

During the year, the charity received a grant of £272,272 (2024: £246,000) from the Architectural Association Foundation, a charity registered in England and Wales (Charity Number 328455) to help fund the studies of individuals through bursaries and scholarships. As at 31 July 2025 the net debt owed to AA Inc by the Architectural Association Foundation was £284,122 (2024: £1,000).

Architectural Association
Annual Report 2024–25

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