

RESPONSIVE
AGILE
DECISIVE



CONTENTS


01	Trustees' report	3
	About AAT	4
	What we do	7
02	Strategic report	10
	Our highlights in 2021–22	11
	Our impact	13
	Our impact on people's lives	14
	Our professional impact	19
	Our business impact	23
	Our economic impact	26
	Our societal impact	30
	Our success	35
	How we measure success	36
	The President's view	43
	CEO's report	45
	Section 172 statement	48
	The future	49
	The environment around us	50
	The risks we face	52
	Financial review	55
03	Governance	59
	Structure, governance and management	60
	Annual remuneration statement	64
	Trustees' responsibilities statement	65
	Independent Auditor's report	66
04	The numbers	69
	Financial statements	70
	Members of Council and the Executive team	92

The Association of Accounting Technicians Trustees are pleased to present the Trustees' report together with the consolidated financial statements of the Charity and its subsidiaries for the 12 months ending 31 March 2022, which are also prepared to meet the requirements for a directors' report and accounts for *Companies Act 2006* purposes.

Trustees' report



About AAT



The Association of Accounting Technicians (AAT) is the world's leading professional body for accounting technicians and has blazed a trail for inclusive access to accountancy training for more than 40 years.

We have members and students in **more than 105 countries** and are responsible for over a third of all the UK's technical accounting qualifications.

AAT is regulated by the qualification regulators in all four home nations and in Botswana, and remains fully compliant with all regulatory requirements. Through our regulated status, we're able to continue to demonstrate to students and employers that AAT is an awarding organisation that has the very highest levels of quality assurance at its heart, and is recognised worldwide as being a gold standard for anyone wishing to develop their technical accounting skills.

We offer highly respected and globally recognised accountancy and bookkeeping qualifications and give recognition and career support to nearly **124,000 professional members and students** who've gained, or are studying, our qualifications.

Because of the societal contribution we make, we are also a registered charity. Organisations of every size, in every sector, need trustworthy and expert finance professionals. We serve that need by supplying public accountancy education through modern qualifications that produce employment-ready professionals.

AAT has always taken pride in the fact that our qualifications are **open access**. To start studying with us you only need the desire to succeed. It makes AAT a uniquely **inclusive** and **diverse** body among UK accountancy qualification organisations.

This annual report reflects our work in the extraordinary 12 months to 31 March 2022.



“Becoming my own boss is something I’ve always wanted to do and studying with AAT gave me the opportunity to do that. I love the flexibility and achieving my personal goals.”

Keteata Reid MAAT
AAT Licensed Accountant

About AAT

581 AAT-approved training providers globally and **49 UK branches** for support, training and networking

Promotes **practical financial skills** to empower people and enable businesses to **achieve their potential**

Offers **internationally recognised qualifications** and lifelong learning support, and helps build businesses' financial capabilities

Awards around **34% of all UK vocational accounting qualifications**

A **regulated awarding organisation** whose qualifications are highly respected internationally

A registered charity committed to increasing the availability of **high-quality accountancy education**

The world's leading professional body for **accounting technicians**

Open to everyone, irrespective of **age, background** or **experience**

A recognised **End Point Assessment Organisation** for accounting apprenticeships in the UK

Nearly **124,000 members** and **students** in **105 countries**

Advocates for **progressive change** in the profession and for organisations to become more efficient

5,416 AAT students on apprenticeship schemes

6,220 licensed members in the UK

What we do

AAT was founded in 1980 with public interest at its heart.

Our mission

is to promote **practical financial skills** to **empower people** and enable businesses to achieve their potential.

We provide our members with lifelong learning support so that they can continually develop their finance and accountancy skills and careers. On our members' behalf, we also advocate for progressive change in the profession.

As a result of our work, we provide thousands of people with the foundations for a highly rewarding career.

Against this backdrop, 2021–22 was a tumultuous year. The impacts of the coronavirus (Covid-19) pandemic continued to be felt; the world came together at the United Nations Climate Change Conference (COP26) in 2021 to try, once more, to organise a response to the climate emergency; and a war was started in Ukraine, with potentially far-reaching consequences.

These events made us more conscious than ever that ours is an interconnected and fragile planet – one where we must all act responsibly and take responsibility for our actions.

We have a stated mission that captures what AAT is here to do, but we recognise that it matters how we pursue it. So, in 2021–22, we:

- consciously adopted behaviours that will help us succeed with integrity, both individually and collectively ([see page 18](#))
- took the opportunity to secure new premises in Canary Wharf with better energy efficiency credentials – a move that will help reduce our carbon footprint ([see page 33](#))
- ensured our Responsible Business commitments run throughout our offer while our own business decisions identified six United Nations Sustainable Development Goals (SDGs) that are particularly relevant to AAT and will form the basis of our strategy going forward. These are to:

Goal 4

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Goal 5

Achieve gender equality and empower all women and girls

Goal 10

Reduce inequality within and among countries

Goal 13

Take urgent action to combat climate change and its impacts

Goal 16

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Goal 17

Strengthen the means of implementation and revitalise the global partnership for sustainable development.

What we do

In addition to the SDGs, our Responsible Business Framework has four pillars:

People

We promote diversity and inclusion and champion fair working practices, supporting talent from the widest talent pool.

Practices

We ensure policies and procedures are transparent and fair, and promote a sustainable economy, actively looking at anti-corruption, responsible supply chains and procurement.

Sustainability

We ensure sustainability with a focus on how we impact on communities where we operate, focusing on energy, waste and water.

Public benefit

We enrich the communities where we operate, building skills for the accountancy profession, encouraging qualification for all, and promoting lifelong learning.

Our **vision**

remains that we want to **reach the heart of every business by 2030**. To attain this, we need to be bigger, better and bolder. This report captures our progress in 2021–22.



AAT's charitable objects

Our charitable objects underpin our business model and strategy:


- 1 to advance public education and promote the study of the practice, theory and techniques of accountancy; and
- 2 (a) to prevent crime; and
(b) to promote the sound administration of the law for the public benefit
by promoting and enforcing standards of professional conduct amongst those engaged in accountancy by monitoring and supervising their compliance with money laundering legislation.

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and the planning of future activities.

Strategic report




Our highlights in 2021–22

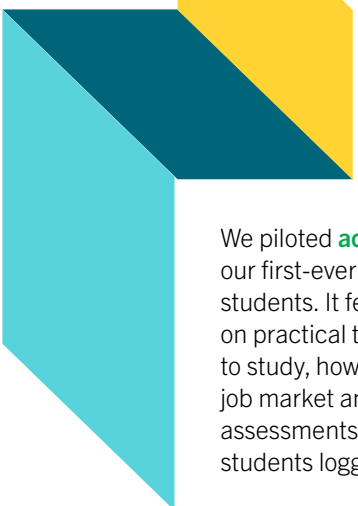


Despite the pandemic, **4,426 new members** joined us. We achieved a **92.5%** retention level among professional members and **91%** retention among licensed members.


Ensuring that AAT qualifications will continue to meet the demands of the modern world, we successfully delivered all the elements to enable the launch of our **new Qualifications 2022** in September 2022.




Our **new Accountable campaign** aimed to raise professional standards by bringing all accountants under the supervision of a professional membership body. This helped to ensure that government plans are likely to be more comprehensive than just imposing compulsory professional indemnity insurance cover on unregulated tax advisers.




We piloted **accelerAATe 2022**, our first-ever virtual conference for students. It featured presentations on practical topics such as how to study, how to stand out in the job market and how to prepare for assessments. More than 2,270 students logged in.




For the first time, we gave access to **remote invigilation** for selected assessments, allowing students to continue to progress with their qualifications despite Covid-19 restrictions.




We engaged with a record number of **training providers**. Just over 80% attended at least one of our online engagement programmes and over 3,000 bookings were received for our annual training provider conference.



We were delighted to achieve another high **Institute of Customer Service Business Benchmarking score of 81**, demonstrating that the care taken of our customers exceeds national benchmarks for customer satisfaction.



Informi – AAT’s free website for small business owners and start-ups – continues to deliver strong levels of engagement, this year achieving over 675,000 individual sessions. Nearly 2.5 million visitors have visited the site since its launch in 2016.



Demonstrating our **fiscal competence** after a challenging year, AAT posted an operating surplus of £7,172,000.

Mindful that our staff are AAT’s biggest asset, we appointed **Wellbeing Champions** and trained them in mental health first aid. We also introduced a new wellbeing app and dedicated the month of August to staff wellbeing. This work was reflected in our recognition as a 1 Star company in the Best Companies to Work For survey.

Maintaining our commitment to **equality, diversity and inclusion**, in 2021, we published our gender and ethnicity pay gaps, exceeded our Women in Finance Charter targets and added ‘inclusion’ to our new behaviours.

We committed to publishing a roadmap to **achieving net zero** as soon as possible. We’ll also drive action on the climate crisis through our networks and will help the government create the policies and infrastructure necessary for economies to transition.



“Studying with AAT helped me progress through my company from Receptionist to Finance Manager. Becoming a professional member has also meant people recognise my skills and knowledge and have confidence in the work I produce.”

Gemma Close AATQB MAAT
Finance Manager
Clayton Holmes Naisbitt FC LLP

Our impact



Our impact on people's lives

As a membership body, awarding organisation and employer, AAT influences many people's lives. We aim to do so for the better of our 123,759 students and members, 471 approved employers and 581 training providers. Alongside this, we supported 68,791 people studying for an AAT accounting qualification and 10,330 people studying for our short qualifications or undertaking an apprenticeship End Point Assessment (EPA).

The year in review was the second of the Covid-19 pandemic. This made us particularly mindful of our duty of care to continue enabling access to assessments and qualifications while, at the same time, ensuring to the best of our ability, the mental and physical wellbeing of the people whose lives we touch.

Maintaining access to qualifications and assessments

In 2021–22, AAT continued to transform lives.

5,416 people started an accounting apprenticeship while studying for an AAT qualification (up 23% on the previous year) and 1,700 people studied our Level 1 qualifications, many of which are taken by the unemployed as a route to work.

41% of our students learned remotely, giving them the flexibility to change careers and study for a potentially lifechanging qualification.

We also saw a continued strong uptake of the Level 2 EPA, which launched in difficult times in 2020 but has continued to grow, meaning we have a strong offer for apprentices at Levels 2 to 4.

Ensuring that people could continue to qualify, all assessments operated as normal, despite the ongoing Covid-19 pandemic. We provided additional synoptic windows over the summer to help students and training providers catch up after periods of lockdown.

In May 2021, following a successful pilot, we launched our **remote invigilation** offer for a range of assessments. This enabled us to introduce additional flexibility for students, allowing them to choose to sit selected assessments at home, should this be their preference. The ability to offer remote invigilation functionality remains, not just because of the residual uncertainty of a global pandemic, but because that pandemic has, in effect, changed people's working and learning expectations.

Likewise, mitigating some of the adverse effects of the pandemic on 14–19-year-old students, we issued calculated results for the **Foundation Synoptic** assessment and the **Advanced Synoptic** assessment to students who met the eligibility criteria.

Extending our reach, the Northern Regional College became the first further education (FE) college in Northern Ireland to be approved to run Level 2 Bookkeeping qualifications.

Our impact on people's lives

In 2021–22 we changed the lives of more than 30,000 people who qualified through AAT as follows:

Accounting Qualification Level 2

9,532

Accounting Qualification Level 3

7,566

Accounting Qualification Level 4

4,568

Short Qualifications

8,502



“I left school when I was 18 and almost felt like I had no direction. I started studying with AAT in 2018 and have progressed to MAAT, at the same firm where I started, and now have a mentee who I’m supporting through Level 3. My professional membership is a badge of honour I wear with pride.”

Ben Boutwood MAAT
Accountant
Astons Accountants

Our impact on people's lives

Enriching the value of membership

Despite the challenges of the pandemic, in total

4,426 members joined us, with **2,115** at **AATQB** status and **2,311** at **MAAT** status.

This represents a **25% increase** against 2020–21 and a 7% decrease from 2019–20, indicating that although new member numbers are recovering well, they aren't quite at the levels seen pre-pandemic.

646 members progressed on to **AAT fellow member (FMAAT) status**, representing a 38% increase from 2020–21 and 5% decrease from 2019–20.

674 applications were approved to be a **licensed member** (AAT Licensed Accountant and AAT Licensed Bookkeeper) and 4,832 applications were assessed and approved to renew licensed membership representing 90% of the licensed population. Overall, AAT licensed membership has increased by 4% against 2020–21 and 12% against 2019–20.

In total, **91.7%** of AAT professional members **renewed their status with AAT**.

Our **continuing professional development (CPD)** programme benefited from partnerships with several global accountancy brands including Xero, Sage and Intuit Quickbooks, and we provided ongoing support to members via an expanded virtual programme of CPD sessions, branch meetings and technical master courses. We developed two new CPD e-learning courses on the key areas of financial reporting and finance business partnering, and launched a campaign to help members understand and engage with CPD, be ready for CPD monitoring and progress in their career.

From a **Public Affairs and Public Policy** perspective, we continued to engage with members via regular columns in our bi-monthly emails, *AT* magazine, and through the policy and news sections of the AAT website. We surveyed members to get a clearer understanding of their views on a wide variety of topics, including Income Tax Self-Assessment, Capital Gains Tax and VAT, as well as moving the end of the tax year. The results help to inform AAT public policy positions, where we seek to influence government direction to the benefit of our members and wider public.

We continued to ensure that AAT Licensed Accountants are represented on each of our four external panels: Tax, Payroll, Responsible Business and Digital Advisory. AAT Licensed Accountants now also represent AAT at various HMRC forums to ensure the practitioner views make an impact. Member engagement is also delivered through the work of AAT's Members' Assembly. Meeting twice a year, the Members' Assembly operates as a forum at which individuals representative of the wider AAT membership debate and provide feedback to the Council on policy issues and matters of wider concern affecting the sector and membership as a whole.

We updated **13 professional standards policies** through the Professional Regulation and Standards Compliance (PRSC) Board, ensuring they are fit for members' purposes.

We enhanced member resources to support anti-money laundering (AML) compliance and received an 'effective' rating from the oversight body, the Office for Professional Body AML Supervision (OPBAS), in their 2021 review of AAT's approach as an AML Professional Body Supervisor.

We continued to run four member helplines and produced four new professional ethics factsheets on specific topics for members. As a result of the value delivered, 41,888 professional members – AAT full members (MAAT) and AAT fellow members (FMAAT) – and 3,608 AAT bookkeeping members (AATQB) retained their membership, representing a 92.5% and 79.4% retention level respectively. Meanwhile, AAT's licensed member population has increased by 4% to over 6,200 professionals who are providing accountancy and bookkeeping services to a huge range of businesses.

Our impact on people's lives

Nurturing our staff

Professional development

Given that our core mission is to increase people's life chances through skills development, it follows that we do the same for our employees.

We invested in our customer service staff with **Institute for Customer Service** training, including customer journey mapping and effective complaints handling.

AML training modules were developed and delivered to the customer service team to enhance its knowledge of AAT's supervisory responsibilities, alongside internal workshops on professional standards.

We supported the **professional studies** of our finance staff and provided practical training. We developed the team's skills on new financial software tools that automate processes and save time by reducing manual input and errors.

We also set up a two-year software developer **apprenticeship programme** in our Information and Communication Technology (ICT) team and an 18-month apprenticeship with our Human Resources (HR) team, alongside other training opportunities for staff to widen and improve their skillsets. In total, we achieved 33 internal promotions and secondments for our staff across AAT.

Wellbeing and engagement

We appointed new **Wellbeing Champions** to raise awareness and provide support on wellbeing for employees across the organisation and trained them in mental health first aid. We dedicated August to wellbeing and gave everyone an additional day of annual leave. We also introduced a new wellbeing app, enabling staff to access healthy living content and online classes.

Our **Employee Representatives Group** met bi-monthly, to discuss key issues involving staff. We ran regular pulse surveys to provide quicker responses on what matters to our employees. We held an all-staff event in our new office in Canary Wharf and created a video tour to support employees with the relocation. We held virtual coffee mornings and reinstated our 'Ambassadors of Fun' to develop new social opportunities in a hybrid world. We reaffirmed our commitment to the London Living Wage and undertook a review of our pay framework.

Given how the pandemic has changed the work model, we further developed and refined a more flexible approach to working and introduced **hybrid working contracts** in place of previous office-based contracts. This will provide a solid foundation for effective hybrid working at the new AAT offices from May 2022 and supports employees continuing to improve their work/life balance.

We introduced a management and development tool

to support individual development.

Managers and senior managers had the opportunity to complete Chartered Management Institute (CMI) Level 5 or Level 7 leadership and management training.

An employer of choice

AAT takes part in the Best Companies to Work For survey to measure engagement. We increased our employee engagement score in 2022 and were delighted to have been recognised as a 1 Star company – a significant achievement, which shows we’re taking workplace engagement seriously. We used feedback from the 2021 survey to make AAT an even better place to work.

For instance, our employees said they wanted to know more about our priorities, so we now publish quarterly updates. We’ve also upped internal communications with the introduction of a new **Internal Communications Manager** role and have created a new intranet, OneAAT, to further enhance communication and collaboration.

Following a decrease in January 2021, our Leadership score increased by 10% in January 2022. Following the 2021 score, to increase leadership visibility, we introduced new weekly videos from the Executive team with key updates and celebrations of success. Expanding our channels for feedback, we created a new general enquiries email address for staff to ask the Executive team questions directly and set up an anonymous feedback tool in OneAAT.

‘My Manager’ continues to be our highest scoring factor and increased by 1%, outperforming 1 Star companies in all sectors. We continued investing in our managers with CMI training (see above), training on hybrid working and returning to the office, alongside performance and development tools, and additional wellbeing guidance for managers on OneAAT.

Formalising our approach to behaviour and culture

To help us succeed both individually and collectively, AAT rolled out a new **Behaviours and Culture Change** programme in 2021.

We’ve chosen new core behaviours that will help create an environment where we can all challenge constructively, be passionate, decisive and accountable, and get the job done on time and to a high standard, in order to succeed.

Our new CEO, Sarah Beale, then added a new ‘inclusive’ behaviour. Everything we do should be inclusive to ensure everyone can thrive and reach their full potential. This means we celebrate the difference in our diverse AAT community whether employees, AAT members, students or training providers.

We also launched our first Culture Champion Awards to recognise best practice and acknowledge staff achievements in line with our new behaviours and culture programme.

Our professional impact

As a regulated awarding organisation, AAT continued to deliver qualifications and assessments that give students and members a

relevant, widely-recognised and professional qualification

that's valued by employers and respected within the profession.

In 2021–22 we maintained and progressed the professionalism of our members as follows:

Qualifications and product development

Work continued on the development of our new accounting qualifications, **Qualifications 2022 (Q2022)**. This suite of modern qualifications reflecting changes within the profession including sustainability, ethics, communication and technology embedded across all levels and it will ensure that AAT students continue to be at the forefront of the profession.

All content for Q2022 is ready for full launch later this year and these new qualifications will be delivered via our new assessment platform, Atlas Cloud. We took the difficult decision to delay the launch of Q2022 until September to ensure that we had ample opportunity to fully test the end-to-end functionality of the new system, and we are grateful for the understanding and continued support of our training providers.

We have already made available all practice assessments and a substantial suite of online learning support. The Q2022 learning support includes new greenlight tests – which remain AAT's most popular form of support material – used widely by both students and tutors. Approximately 55,000 green light tests are taken each month, resulting in over 497,000 questions, on average, being answered each month.

Q2022 Level 3 has already been **recognised as a Level 6 qualification** by the Scottish Qualifications Authority, making it more attractive to school leavers, employers and training providers, as it offers comparable level qualifications to Scottish Highers/National Certificates (NCs), Higher National Certificates (HNCs) and Higher National Diplomas (HNDs). It also provides clearer progression and routes into chartered accountancy qualifications or university.

We reviewed, updated, commissioned and built nearly

300 items

of e-learning to support Q2022, comprising **127 e-learning modules, 65 Green Light question sets, 52 key calculation videos and 55 study support videos.**

We tested new and existing products to ensure technical integrations are working correctly and the integrity of members' transactional data is protected. Approximately 60 new products have been created for Q2022.

Our professional impact

Support to students and members

While the overall aim was to deliver the foundations of the new qualifications, the Q2022 project also enabled a **range of improvements** to the web interface, updating systems to a more technically-advanced and stable platform, and improving service efficiency.

At the same time, we wrote 226 brand new items, moderated and scrutinised AQ2016 banks, including 76 new items that were developed and completed for Level 2 EPAs and further assessment banks for remote invigilation.

AAT Lifelong Learning Portal – which provides support material for students, training providers and members – has proved immensely popular, with an average user rating of 4.2 out of 5. All content has been refreshed and updated during 2021, offering a huge range of support for the current qualifications and the new Q2022 suite, alongside study support for AAT's highly popular EPAs.

The resources available include study support videos, podcasts, practice quizzes, games, key calculations, and the ever popular Green Light tests. We released ten videos under a new 'Preparing for your assessment' stream to support and motivate students, particularly as they approach an assessment. We developed five 'Tutor tips' videos providing guidance and tips from experienced tutors to the tutor audience. We also launched new professional member learning pathways on the Learning Portal covering finance business partnering, financial reporting and data analytics.

Serving and supporting customers

It's critical that we're always accessible and helpful to our customers. To that end we provided support and guidance to 134,462 customers through multiple contact channels. We **increased service levels** by launching a new virtual assistant that enables customers to self-serve and provides them with out-of-hours support. There have been 9,911 interactions with our virtual assistant since its launch in December 2021.

We revised our **Customer Commitments Charter** with a new feedback, compliments and complaints policy and process linked to our new behaviours, and explained what people can expect when they contact us. Customers continued to tell us that they receive great service and support via all channels, despite staff continuing to work remotely for most of the year. We were delighted to achieve a customer satisfaction rating – measured via real-time surveys of those contacting us – of 94%.

We sought external validation of our performance through the **Institute of Customer Service** and achieved a Business Benchmarking score of 81 against our target of 80. It's calculated on the same basis as the UK Customer Satisfaction Index – the national measure of customer satisfaction – so we can benchmark our performance against national results. We scored highly in the 'satisfaction', 'intention to recommend' and 'intention to remain a customer' categories with ratings of 8.6 (out of 10) in each, higher than the all-sector average of 7.8 and 8.2 respectively.

Improving our customer experience

We **improved the customer experience** across our membership applications interfaces for bookkeeping, fellow and licensed membership. The licence application process was refined so only complete applications now enter the processing phase. We optimised some of our key application processes to greatly simplify the student prospect journey, including removing lots of dead ends and duplicate pages. We made the 'Fees' and 'How to register' sections much clearer and launched product pages, which let users add a qualification to their basket and accelerate their registration.

We developed a range of support videos on the most common errors so customers can ensure they submit their applications right the first time. We continued to deliver service efficiencies and automate processes where possible, so customers can enjoy more efficient interactions with us.

Our professional impact

Professional standards and compliance

As a regulated awarding organisation, we engaged successfully in **external audit** activities undertaken by the qualification regulators and were delighted to receive positive feedback. We continued to be fully compliant, providing students and members in the UK and globally with confidence that we operate to the highest standards.

We successfully extended our scope of Office of Qualifications and Examinations Regulation (Ofqual) regulated provision to cover **EPAs**. This allowed us to seamlessly transfer the responsibility for external quality assurance of EPAs from the Institute for Apprenticeships and Technical Education to Ofqual, with effect from 30 December 2021.

In addition, 1,363 members were called for CPD monitoring. 1,312 demonstrated their compliance with our CPD policy and 51 had remedial steps taken for non-compliance.

Mindful of the mental health impact of the pandemic on AAT members, this risk was continually monitored by our PRSC Board while still ensuring compliance with all relevant regulations. The PRSC Board also oversaw improvements in AAT's activities as a Professional Body Supervisor for AML, evidenced by the findings of OPBAS. The findings stated that OPBAS was encouraged by AAT's commitment to developing our AML supervisory regime, particularly through improvements in our governance and in the approach to providing guidance to members.



“Being an AAT licensed member gives me the credibility I need in a highly competitive market. Without my membership, I would not have grown my business in the way I have been able to.”

Samantha Mitcham FMAAT
AAT Licensed Accountant
Founder
SJCM Accountancy

Our professional impact

Modern skills

To equip our students and members with modern professional standards and knowledge, we delivered two presentations on **sustainability in finance** as part of the annual Future Finance online conference and the Practice Pros series, as well as various member-focused articles. These two sessions were titled 'Why finance teams are critical to sustainable business' and 'Developing a sustainable practice'.

We also delivered a series on 'Finance Business Partnering in a digital age' and 'Digital Decoded', a series of webinars on understanding and demystifying digital adoption in finance.

We updated AAT's **ethical guidance** to include new areas of relevance for members and provided supporting articles in AAT Comment. These included guidance on the ethics of leadership, sustainability, regulatory compliance, and digital knowledge.

We supported the dissemination to members of new **Accounting for Sustainability** guides on 'Finance Teams and Net Zero' and 'Sustainability Reporting'.

We also produced a variety of AML updates and practical resources, often working in collaboration across the spectrum of bodies involved in the AML space.

Keeping people well-informed

We were delighted to reach 300,000 followers across all our social media channels, ensuring that our audiences are kept up to date with the latest news, support and guidance.

We aim to be a trusted source of authoritative, high quality and current information for our students and members to help with their **professional progression**. For example, we produced a **2021 Salary Survey**, featuring benchmarked remuneration data for students and professional members. This got nearly 20,000 downloads.

Meanwhile, 17,682 professional members engaged with our **CPD programme** of events to develop their skills and maintain up-to-date knowledge. Resources on AAT Comment and the AAT Knowledge Hub had 240,000 views and 692 professional members booked onto our 'Spring tax update' and 'Sharpen your tax skills' master course events. We also implemented an increased insight programme of focus groups with particular member groups to help inform future plans and support.

To ensure students achieve professional standards, we augmented their studies wherever possible. For example, we hosted **13 live study sessions** for students on Facebook, generating over 63,000 views.

We piloted **accelerAATe 2022** – our first-ever virtual conference for students – in January. We were aware that, for some students, remote study was challenging and so we ran six sessions spread across three days with speakers and expert panels taking questions. We received 10,017 webinar registrations and helped 2,274 individual students to plan their careers and assessments in 2022, while a virtual Future Finance conference of online CPD sessions reached 3,357 members.

We launched a new **Learn, grow, succeed** campaign, enabling members to sign up for a series of emails to help them get more from their CPD. We also delivered an **AAT assessment challenge** campaign that provided support and motivation to students to help them complete their assessments.

We developed content to equip members and students for the return to the workplace, looking at safety, HR issues, wellbeing and estate management when working in the new era of hybrid working. We also produced content on the coming changes with **Making Tax Digital**.

Our business impact

AAT impacts both the businesses we work with directly, and the wider community of businesses that we give advice and guidance to on finance issues, and for which we provide apprentices. AAT licensed members also create their own businesses.

This is how we helped support businesses in 2021–22:

Training providers

We engaged with more training providers than ever, helping them improve their support to students and achieve their goals. Through an online engagement programme, just over 80% attended at least one event (465 providers of the 580 approved) and we had over 3,000 bookings at our annual Training Provider Conference alone. Our Regional Account Managers held 21 virtual round tables, which were attended by 379 decision-makers from 289 training providers. Training providers were also included in the end-to-end testing of our new Q2022 assessment platform from February 2022.

We revised and streamlined our **contractual arrangements** for training providers, assessment venues and EPA centres. Approved organisations who undertake multiple roles will now have one agreement instead of multiple arrangements covering different roles.

The Learning Portal also allowed training providers to use our support resource with many new features to optionally integrate into their own training delivery.

Suppliers

AAT reports payment statistics for all suppliers as part of our drive to ensure all are paid within terms, not just the small businesses covered under the **Prompt Payment Code**. In 2021–22, 98.3% of supplier payments were made within 60 days of the invoice date, a 1.7% improvement on last year, and 91.9% of payments were made within 30 days, a 6.5% improvement on last year.

Employers

Our Employer team supported 491 different employers who have had over 1,500 apprenticeship starts this year. They delivered 51 apprenticeship induction sessions for employers, ran 38 **Lunch and learn** AAT information sessions for staff, presented at 15 training provider employer forums, and hosted eight employer webinars on topics including Q2022, EPAs and sustainability. On average, over 100 employer vacancies are posted on our website at any one time.

Our **improved qualifications and courses** section on the website has helped employers find the right courses for their staff – including our new AAT Essentials programme. We restructured the apprenticeships section to make clear the specific processes and requirements in hiring apprentices and sending existing staff on apprenticeships across the UK.

Through our work with Access Accountancy, we engaged with **AAT employers' networks** to encourage direct engagement with school age students, to offer good quality work experience and develop talent pipelines.

Our business impact

The wider business community

Information on finance

We continued to deliver our **AAT Essentials programme** of virtual training and e-learning for non-finance staff and small business owners to help them better understand finance and how it supports the effective operation of a business.

We used **LinkedIn** to effectively share the value of AAT qualifications, apprenticeships and CPD with professionals, business decision-makers and employers. We reached 60,000 followers, which is a huge milestone. This includes an average post engagement rate of 3%, 200 average clicks per post, gaining 5,477,266 post impressions and our following has grown by 8,523.

For the second year running, we joined other professional bodies in successfully campaigning for HMRC to waive penalties for any late filing of **Self-Assessment tax returns**. This helped relieve the burden on small businesses suffering from the impact of the pandemic as well as on our members, many of whom are small business owners themselves.

In November 2021, we provided Parliament's Public Accounts Committee with our views on HMRC failings in relation to the recovery of fraudulent business loans taken out during the pandemic. These views were accepted, adopted and repeated by the Committee in February 2022.

Information on apprenticeships

We delivered a multi-channel **apprenticeship campaign** to demonstrate the value of apprenticeships and showed how they can mitigate the skills crisis. Activity included radio and online advertising, two new e-books, myth busting videos, PR activity and a number of new case studies including Network Rail and the NHS.

We supported **National Apprenticeship Week** in February 2022 with over 20 pieces of media content, including research statistics, case study quotes, engaging polls and videos of employers, generating 157,000 impressions on social media and over 11,000 video views.

Informi – going from strength to strength

Our small to medium-sized enterprise (SME) website, Informi, continued to support the UK's small business community. There were over 675,000 visits to the site with popular topics of support including budgeting, self-assessments and Brexit. Whilst down 8% on the previous year, this figure is up nearly 30% on 2019–20 levels – a better comparison, given the unprecedented spike in visitors we saw between March and July 2020. To add to this, nearly 29,000 contacts are now subscribed to the Informi newsletter.

We developed our long-standing

Best places to start a small business

PR activity to promote Informi, which saw Brighton top the list for the third time in four years.

Our business impact

Media highlights

We promoted the **value proposition of an AAT qualification** by running national PR campaigns that featured member and student case studies. Highlights included appearances on television and radio, as well as features in national, regional and sector publications.

We drew the media spotlight to AAT qualifications by commissioning new research on the common blind spots of British adults when it comes to identifying mathematical symbols such as the infinity symbol (∞), the square root symbol ($\sqrt{}$), and the less than sign ($<$).

We continued to establish AAT as a **leading provider** of accountancy qualifications across the UK, announcing our first approved provider in Northern Ireland and plans to re-level our qualifications in Scotland. This resulted in media coverage in outlets including *FE News*, *Accountancy Today* and the *Ballymena Times*.

During A-level results week, we promoted AAT qualifications as an alternative to university for young people interested in starting their own business. Featuring **former Apprentice winner Carina Lepore**, the campaign resulted in over 200 pieces of broadcast and online media coverage, with a reach of over 2.6 million people and features on London Live, GB News, talkRADIO and Hits Radio Manchester.

Throughout National Apprenticeship Week, our PR campaign highlighted AAT case studies alongside new research focusing on misconceptions about apprentices and careers advice in schools. This resulted in 11 pieces of coverage, including highlights in *FE News* and *Workingwise*. For Scottish Apprenticeship Week, we secured coverage in *The Scotsman* and its sister site the *Edinburgh Evening News*, *The Herald*, *Scottish Financial News*, *Yahoo News*, *Project Scotland* and *Insider.co.uk*.

This was followed up in the political arena with Parliamentary Questions on AAT's research being asked of the Secretary of State for Education.

Trusted by businesses

AAT's Practice Assurance Reviews continued to ensure that AAT licensed members operated to high standards of professionalism when supporting over

500,000 small businesses.

200 practice assurance reviews of AAT licensed members were undertaken in 2021, identifying member compliance with all appropriate obligations, and 110 suitability assessment reviews were undertaken where membership applications were referred to the Professional Standards team for further investigation.

Our economic impact

AAT uses its position as the

world's leading professional body for accounting technicians

to influence government policy and help shape national financial regulation. Increasingly, we're also contributing to policy on the environmental, social and governance (ESG) agenda.

This is how we influenced the UK landscape in 2021–22:

Shaping the policy agenda

We impacted the UK economy directly because our professional members provided support across multiple sectors, and our licensed members gave advice to over **500,000 businesses** in 2021–22. We also impacted the UK economy by influencing government policy.

We responded to over **40 public consultations** on a wide variety of business issues from tax avoidance and business rates to broader economic developments, such as proposals for a Central Bank Digital Currency.

We secured a small business exemption from the new £100 million annual **Economic Crime Levy**, assisting tens of thousands of small businesses, including accountants, bookkeepers, estate agents, conveyancers, solicitors and more – and, indirectly, their millions of clients.

We successfully campaigned for a doubling of the time in which those with a **Capital Gains Tax** liability have to pay their tax. The Chancellor announced that the limit would be doubled to 60 days in the Autumn Budget, resulting in coverage of AAT's response in the *Financial Times* and *Yorkshire Post*.

We also successfully worked with other tax and accountancy bodies to secure a waiving of penalties for late **Self-Assessment tax returns** for the second year running.

In 2021, we pressed for the government to align the fees for applications submitted by professional probate practitioners and personal applicants. This became effective in early 2022, saving the taxpayer £23–£25 million a year.

In January 2022, our new CEO, Sarah Beale, and members of other UK business groups, called on the government for urgent changes to the **Help to Grow: Management** and **Help to Grow: Digital** schemes to make them accessible to more of the UK's small businesses. The story was highlighted in media outlets including the *Financial Times* and *City AM*.

Our economic impact

Action on the ESG agenda

Ahead of the **United Nations Climate Change Conference (COP26)**, AAT wrote to Alok Sharma MP, COP26 President, setting out a number of changes to tax policy that the government should make to reach the goal of net zero by 2050.

We further reinforced AAT's credentials as a thought leader on environmental taxation with a series of **recommendations for reform** that were well-received by policymakers and the media, including improvements to the plastic packaging tax, VAT on renewables, a deposit return scheme and Air Passenger Duty.

We submitted numerous responses to government and associated consultations on a wide range of issues relating to **social responsibility**, including diversity on boards, payment practices and performance, and flexible working. Several of our responses were praised and utilised by parliamentarians, including AAT's longstanding recommendation on replacing Fuel Duty with a telematics system of taxation – which was subsequently adopted by Parliament's Transport Select Committee.

In 2018, AAT recommended aligning **prescription charges** with the State Pension age and subsequently campaigned for this. In 2021, the government publicly consulted on the issue with a change likely in 2022. This is expected to generate an additional £200 million per annum in revenue to be invested in public services.

New Accountable campaign

In April 2021, we launched our **Accountable** campaign opposing government plans to impose compulsory Professional Indemnity Insurance cover on unregulated tax advisers. This would not have raised standards in the tax advice market but may have increased premiums for members of professional bodies.

We promoted our free consumer guide, '*What you need to know before appointing an accountant*', as part of the campaign, which secured 112 pieces of media coverage across the year, with a reach of almost 5 million people. The plans were dropped by HM Treasury in November 2021.

Our efforts to raise standards across the accountancy profession by dealing with the problem of unregulated accountants and tax advisers was also acknowledged by Tolleys, the definitive voice on UK tax for over 100 years. We're delighted that our campaign was shortlisted for the outstanding contribution to taxation by a non-profit organisation award at Tolley's Taxation Awards 2022.

We continue to campaign for compulsory professional body membership for anyone giving paid-for tax advice, a campaign that has secured the backing of 93% of AAT members and 78% of MPs, with a public consultation on the issue now likely in 2022.

Our economic impact



Our global reach in 2021–22:

AAT has students and members in

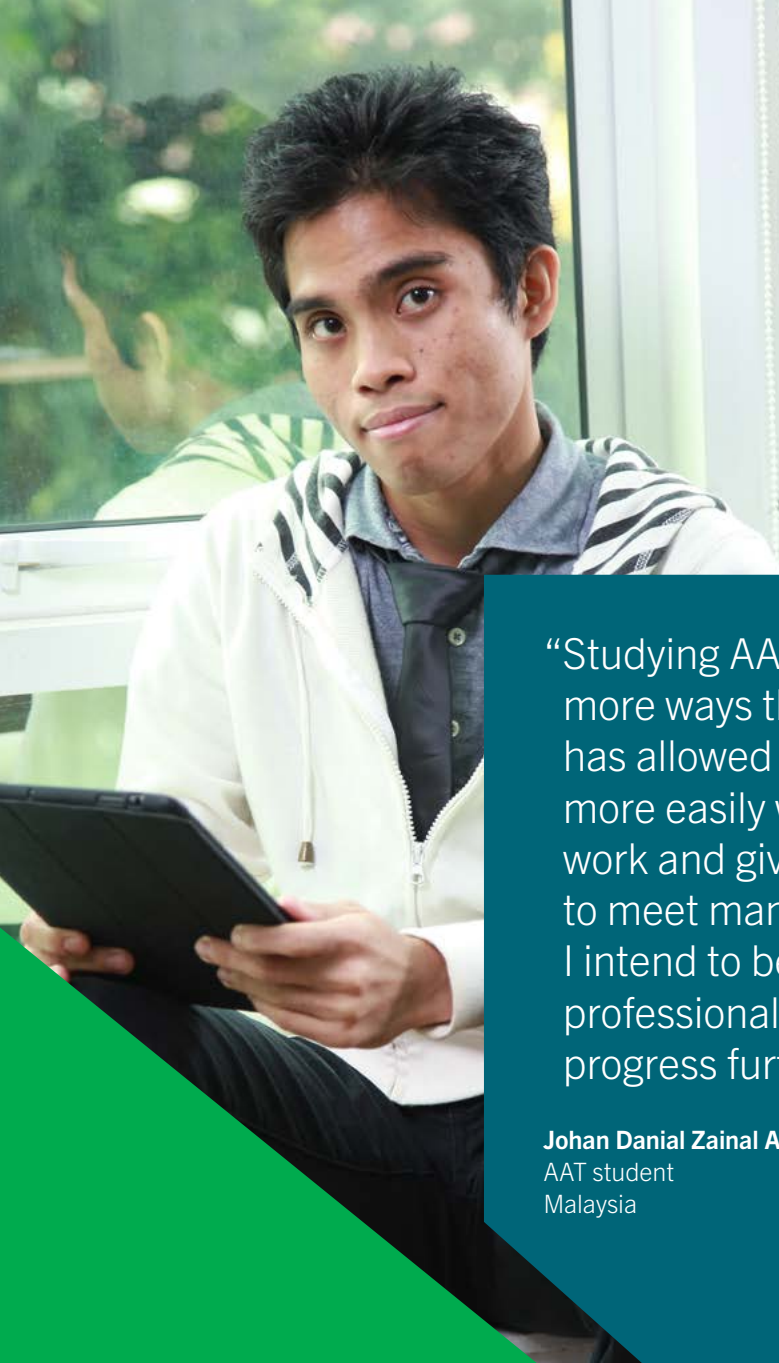
105 countries

This year, 2,800 people (including school leavers and career changers) have studied AAT qualifications in our core markets of Botswana, Bahrain, Malaysia, Myanmar, New Zealand and Ireland.

We commissioned photo shoots in Malaysia and Botswana to support marketing activity alongside new **international advertising campaigns** run in Malaysia and Bahrain. Our PR campaign in Malaysia focused on the opportunities available with AAT qualifications, featuring AAT spokespeople and case studies. The campaign secured nine pieces of broadcast and print coverage, including features on Astro Awani TV (5.3 million viewers), World Future TV, *Daily Straits* (1.9 million readership), *Polaris Vega*, *Share and Stocks*, and *Business in Asia*.

We also delivered highly successful **Facebook prospect campaigns** in Botswana and Bahrain. The campaign in Botswana generated 76 million impressions and 46,000 clicks. The Bahrain campaign generated over 13 million impressions and over 500 leads.

We continued to build our global network of **External Quality Assurers**, helping us to work more cost-effectively, be responsive to the needs of training providers in each country and provide rapid, expert advice and support when needed.



“Studying AAT has helped me in more ways than I could think of. It has allowed me to communicate more easily with my colleagues at work and given me the opportunity to meet many wonderful people. I intend to become an AAT professional member to help me progress further in my career.”

Johan Danial Zainal Abidin
AAT student
Malaysia

Member of



Contributing to IFAC

IFAC – the International Federation of Accountants – is the global voice for the accountancy sector and represents more than 3 million accountants worldwide. IFAC’s mission is to serve the public interest by:

- contributing to the development, adoption and implementation of high-quality international standards and guidance
- contributing to the development of strong professional accountancy organisations and accounting firms, and to high-quality practices by professional accountants
- promoting the value of professional accountants worldwide
- speaking out on public interest issues where the accountancy profession’s expertise is most relevant.

AAT was IFAC’s first technician body member. In 2021–22, there was no physical conference; however, our CEO and President attended virtually to ensure that AAT’s voice was heard. Furthermore, the Education Director’s Forum was supported by our Director of Education and, from December 2021, AAT has held an observer role on the IFAC Board.

We are committed to ensuring that this membership provides value to our members. By being part of IFAC, AAT can influence the perception of the Accounting Technician globally. By participating in the relevant groups and boards, we ensure timely awareness of pending changes in international standards and expectations, which we can communicate to members so they remain ahead of the curve.

Our societal impact

AAT increasingly recognises how

well-positioned

we are to set a progressive agenda in areas including equality, diversity and inclusion (EDI). We are reducing our own carbon emissions and – with perhaps more impact – are part of the growing movement to mainstream sustainable finance practices.

This is how we sought to make a positive impact on society in 2021–22:

Access and equality

AAT's qualifications continued to be open to anyone, regardless of age, background or experience. This makes us a force for **reducing inequalities** through the improved social mobility our qualifications offer. We also introduced 'inclusive' as a new behaviour, which includes demonstrating consideration of the diverse needs of all stakeholders in everything we do.

After a successful launch in 2020–21, the scheme to support students in financial hardship continued. We awarded **11 new bursaries** in 2021–22 to students experiencing financial hardship. Previous bursary recipients have all passed exams taken on the first attempt. One has been given an apprenticeship on the back of the Level 3 qualification achieved through her 2020–21 bursary.

We approved **49 Granting Assistance** applications, enabling students and members in difficult financial circumstances to continue their membership and studies, and 930 members experiencing short-term financial hardship benefited from a reduced subscription rate.

Two AAT Level 3 qualifications were included in the list of **fully-funded courses** on offer through the UK government's National Skills Fund.

We worked with the Welsh Government to ensure that AAT qualifications support the **ReAct Funding Scheme** for those facing redundancy or made redundant in the last 12 months. We also supported the **Personal Learning Account** scheme in Wales, which provides flexible and fully-funded learning for those over 19 in employment, earning under £29,534 a year.

As chair of the **Access Accountancy New Signatories Group**, AAT harnessed the influence of the assorted professional bodies' employer networks to increase opportunities for students across a wider range of socio-economic backgrounds, contributing to reduced inequality as a result.

Our **EDI** group continued to deliver a programme of initiatives to increase awareness of, promote and support different topics including Pride, World Day for Cultural Diversity, World Menopause Day and World AIDS Day.

We published our first-ever **ethnicity pay gap report** alongside our **gender pay gap report**, despite no legal requirement to do so, highlighting our commitment to EDI. Our mean gender pay gap reduced from 6.9% on 5 April 2020 to 3.5% as of 5 April 2021.

As of 5 April 2021, our **ethnicity pay gap was 24.9%**. As part of our strategy to reduce this, we signed up to the Race at Work Charter, set up a new Executive Sponsor for Race, and provided unconscious bias training throughout the organisation.

Our societal impact

We exceeded our targets for the **Women in Finance Charter** and continue to work towards level two of the Disability Confident Committed Employer scheme.

Opportunities are available to **all colleagues**, including those with disabilities, for training, career development and promotion, and reasonable adjustments are made during both the application process and once someone starts at AAT. Where existing employees become disabled, AAT will continue to provide employment wherever practicable – in the same or an alternative position – and will provide appropriate training where necessary.

Health and safety

We continued to provide guidance on assessment conditions and social distancing to our centres, to ensure compliance with government-enforced restrictions in response to the Covid-19 pandemic.

Tackling the climate emergency

In October, along with 12 other accountancy bodies from around the world, we announced our commitment to reaching **net zero carbon emissions** as soon as possible. We will publish our plans to do so in the next 12 months and report annually on progress.

We also committed to provide our members with training, support, and resources to help them create their own **net zero plans** and reduce their emissions, and will help the government with the policies and infrastructure necessary for the **transition to a net zero economy**.

We supported **responsible investment** through our use of Ruffer as our investment house. It seeks to invest in markets supporting a carbon reducing agenda and advocating the 1.5 degrees Celsius global warming objective.

All AAT suppliers have been targeted in spend and category groups to achieve AAT's and the government's targets to **reduce our carbon footprint**.

We also delivered CPD sessions on **sustainability and responsible business** to professional members to educate and inform, and, crucially, communicate how they can influence change in the business they are working in.

We kept colleagues aware of the wider context of our Responsible Business commitment. This included providing regular updates on progress during **COP26** and providing access to resources relating to volunteering, green finance, sustainable travel, personal carbon calculators, and using integrated thinking to develop sustainable business decision-making.








“I knew I wanted a career in accountancy so chose an AAT apprenticeship over going to university. I’ve now set up my own firm and have five staff taking AAT qualifications.”

Laura Whyte FMAAT
AAT Licensed Accountant
Director, Whyfield

Our societal impact

Our energy use and carbon emissions

Streamlined Energy and Carbon Reporting disclosure

	Greenhouse gas (GHG) emissions and energy use data for the period: 1 April 2021 to 31 March 2022	Current reporting year (UK and offshore area)	Comparison year (UK and offshore area)
	Total energy consumption used to calculate emissions in kWh	401,688	423,925
	Emissions from combustion of gas in tCO ₂ e (Scope 1)	43.12	43.28
	Emissions from purchased electricity in tCO ₂ e (Scope 2, location-based)	33.95	42.07
	Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel in tCO ₂ e (Scope 3)	1.47	1.89
	Total gross tCO ₂ e based on above	78.54	87.24
	Intensity ratio: gross tCO ₂ e/m ²	0.03	0.04
	Intensity ratio: gross tCO ₂ e/FTE	0.35	0.39

Methodology

As a large, unquoted organisation, AAT is required to report its energy use and carbon emissions in accordance with the *Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018*. The data detailed in this table represents emissions and energy use for which AAT is responsible, including electricity use in our offices and fuel used in vehicles on company business. We have used the main requirements of the *GHG Protocol Corporate Standard* to calculate our emissions, along with the *UK Government GHG Conversion Factors for Company Reporting 2021* and the *Better Building Partnerships Real Estate Environmental Benchmark (REEB) 2019*. Any estimates included in our totals are derived from actual data extrapolated to cover missing periods or from the REEB.

Energy efficiency actions

AAT continued to be impacted by the Covid-19 pandemic during the reporting period; no additional energy efficiency actions were implemented.

Change of scene for the better

AAT contracted to move to a new sustainable office to support our carbon neutral accreditation and help us work towards our net zero commitment. We moved to our new office in Canary Wharf in May 2022.

The new office has many green credentials, including an Energy Performance Certificates Energy A+ rating, alongside being Leadership in Energy and Environmental Design (LEED) and Building Research Establishment's Environmental Assessment Method (BREEAM) rated. It is supplied with renewable energy, provides sustainable initiatives around recycling and composting, and will be cleaned using non-toxic cleaning materials. It will utilise building and energy management systems to optimise energy performance.

The new office has 40 bicycle storage racks for AAT staff and a zero plastic plan, which will help towards the overall waste reduction strategy. The new office was fitted out before occupancy using sustainable finishes wherever possible.



“If you believe in yourself, follow your dreams, stay consistent and work at your craft, you can achieve great things, regardless of your background or start in life. Thank you, AAT, for arming me with the tools to be confident in my ability and help me achieve my full potential.”

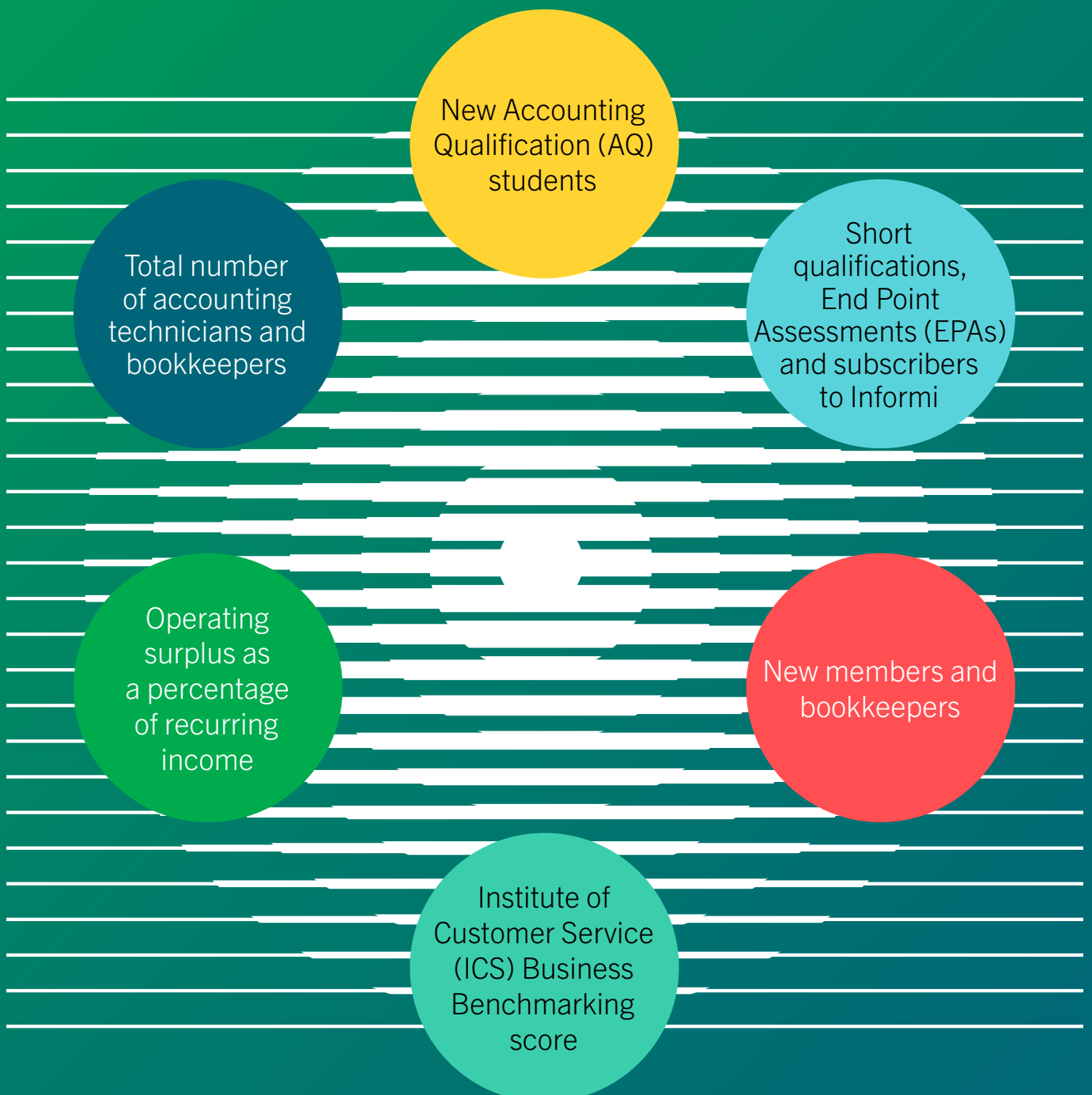
Ali Jaw FMAAT
Past Presidents' Award winner 2020
Accountant General
Severn Accounting

Our success



How we measure success

Our organisational success is measured against six key performance indicators.



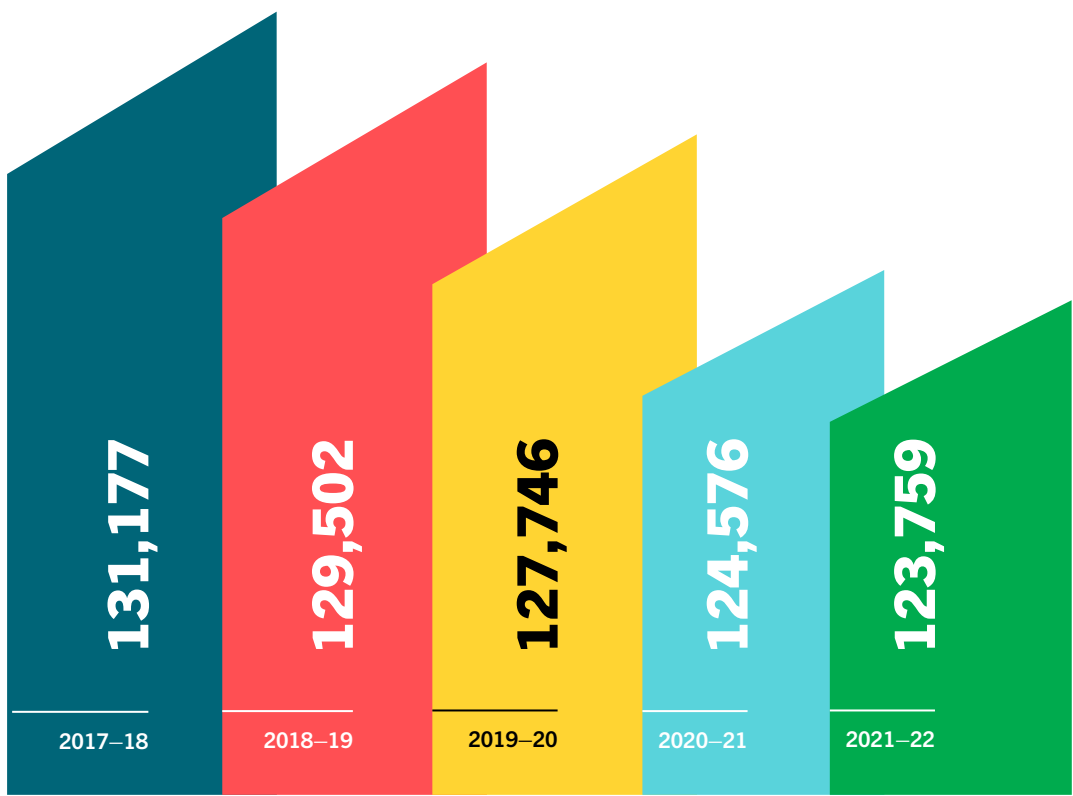
How we measure success

Strategic objective Grow total membership

Aim Increase number of accounting technicians and bookkeepers

Measure Total number of accounting technicians and bookkeepers

Total number of accounting technicians and bookkeepers



Commentary

Membership numbers reflect the reporting period 1 April–31 March, aligning with AAT’s financial reporting year. The total population figure fluctuates throughout the year reflecting new members, renewal and lapsing cycles, particularly when students register and qualify.

AAT’s traditional business model is under pressure. External factors, such as reduced public funding, changing lifestyles and the evolving needs of business have resulted in a declining and changing student population. The impact of this on AAT’s linear business model is a small, new member pipeline, which means – despite high member retention rates – member lapses now exceed member elections.

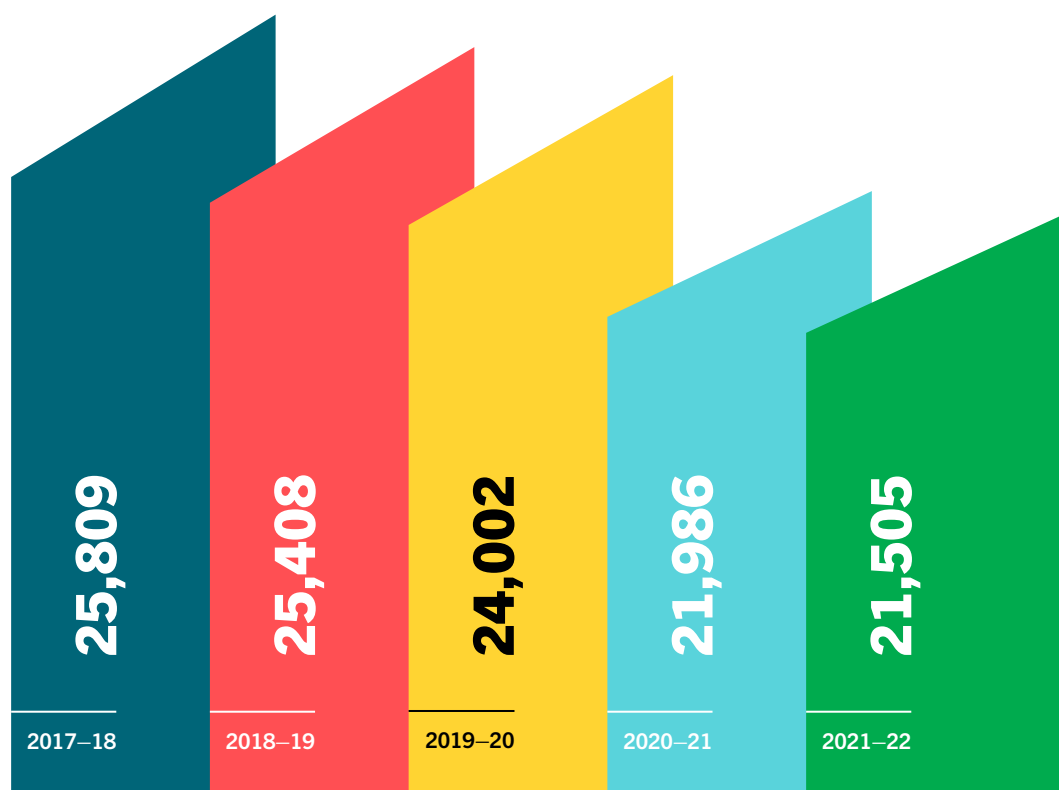
How we measure success

Strategic objective	Grow new student membership
----------------------------	-----------------------------

Aim	Increase accounting technician student population
------------	---

Measure	New AQ students
----------------	-----------------

New AQ students



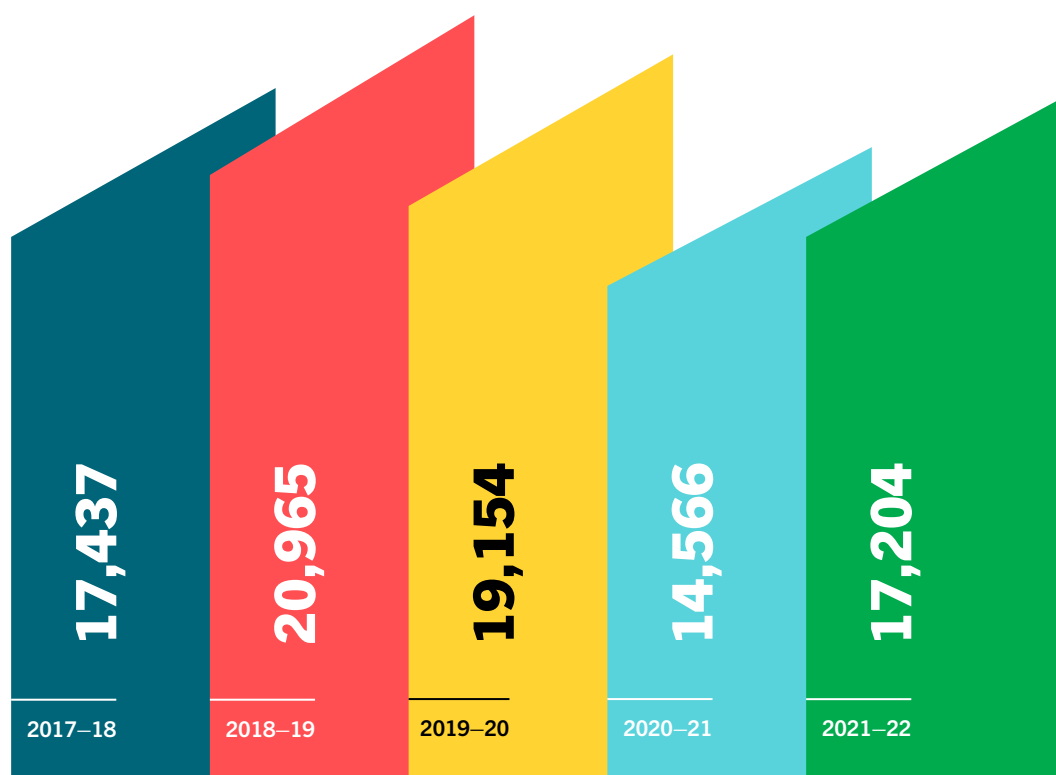
Commentary

The number of new AQ students has been flat this year. We have seen an increase in students at further education (FE) colleges and studying on apprenticeships, but there has been a fall in demand from career changers who, during the pandemic, were being made redundant or furloughed. As the economy has recovered, the job market is very buoyant, resulting in fewer people needing to train. The numbers reflect the reporting period 1 April–31 March.

How we measure success

Strategic objective	Develop new opportunities for people to have a relationship with AAT
Aim	Diversify products and qualifications to offer opportunities to a broader range of people
Measure	Students registered on a short course, End Point Assessment (EPA) registrations and subscribers to Informi – our small business information portal

Short qualifications, EPA registrations and subscribers to Informi



Commentary

The numbers relate to the reporting period 1 April–31 March. These figures show the level of engagement with AAT's portfolio of short qualifications products; engagement with our small business support portal (Informi); and, from 2019–20, also capture the number of EPA registrations.

Short qualifications have performed well during 2021–22. There has been a strong appetite within private providers to enhance the apprenticeship offer with AAT bookkeeping qualifications. Equally, FE colleges have returned from Covid lockdown and used the same bookkeeping qualifications to accelerate progression for their students.

EPAs have also performed strongly, especially at Levels 3 and 4, as more employers and training providers support the value of apprenticeship programmes for their business and support the wider professional development of their students.

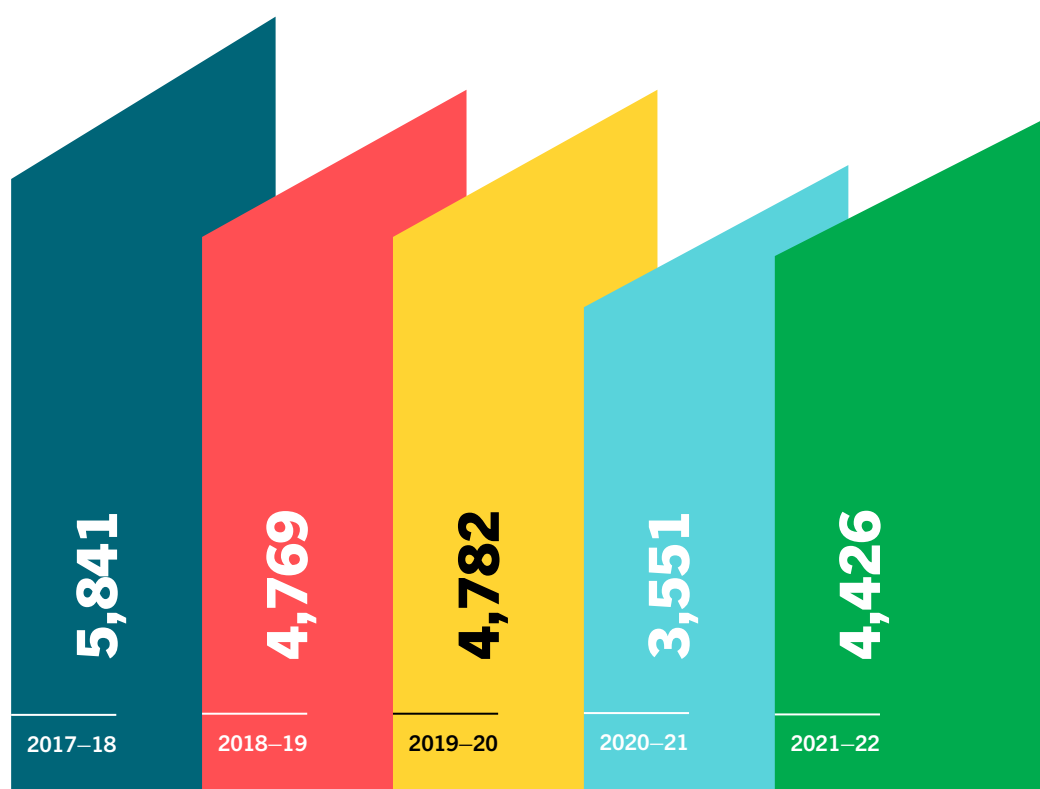
How we measure success

Strategic objective A strong value proposition for members

Aim Create lifelong learning support packages to help people throughout their finance careers

Measure New full members and bookkeepers

New full members and bookkeepers



Commentary

The numbers reflect the reporting period 1 April–31 March. Please note that AAT Qualified Bookkeepers (AATQB) only started registering in the last quarter of 2016, hence the increase in numbers in 2017–18.

Despite a reduced pipeline of Level 4 completers, new conversion rates have performed strongly as a result of significant work to communication and new member onboarding processes. Further work is ongoing to develop the criteria to encourage even higher numbers of Level 4 students to progress into full members.

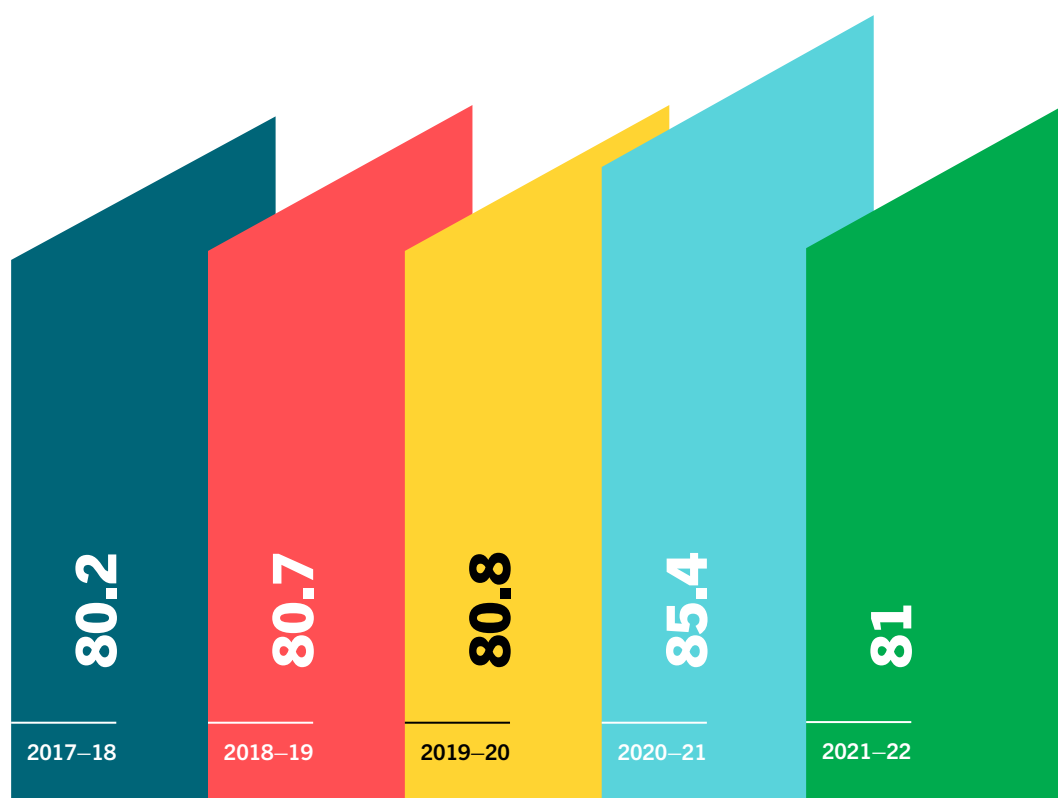
How we measure success

Strategic objective	Deliver customer centric services
----------------------------	-----------------------------------

Aim	Provide a great customer experience
------------	-------------------------------------

Measure	ICS Business Benchmarking score
----------------	---------------------------------

ICS Business Benchmarking score



Commentary

Our Business Benchmarking survey score is assessed independently by the ICS.

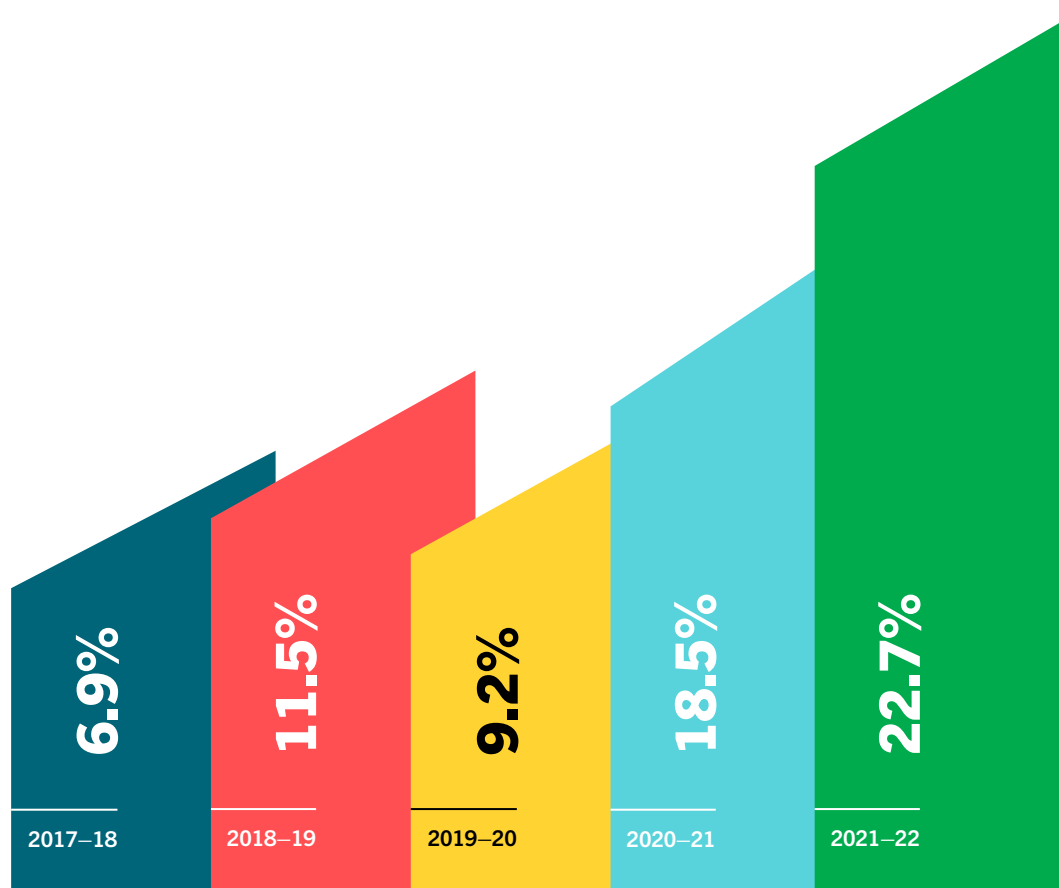
For the seventh consecutive year, we have exceeded our organisational target of 80 thus remaining above the all-sector average year-on-year of 78.4. We achieved a net promoter score of 52.3 (higher scores are better) and a customer effort score of 3.9 (lower scores are better) compared with an all-sector average of 27.5 and 5.2 respectively. Our overall score saw a 4.4 decline on last year's result but remained in line with our average of 80.5 over the preceding three years.

Customer ratings fell between 0.2 and 0.9 across a number of metrics, although we saw an improvement in the metrics of 'the outcome of the complaint' and 'handling of the complaint' of 1.5 and 0.5 respectively, compared with last year. We also exceeded the all-sector average scores for 'experience', 'customer ethos', 'emotional connections' and 'ethics' with scores ranging between 0.9 to 8.1 above average.

How we measure success

Strategic objective	Robust financial performance
Aim	Maintain a strong and efficient organisation
Measure	Operating surplus percentage on recurring income

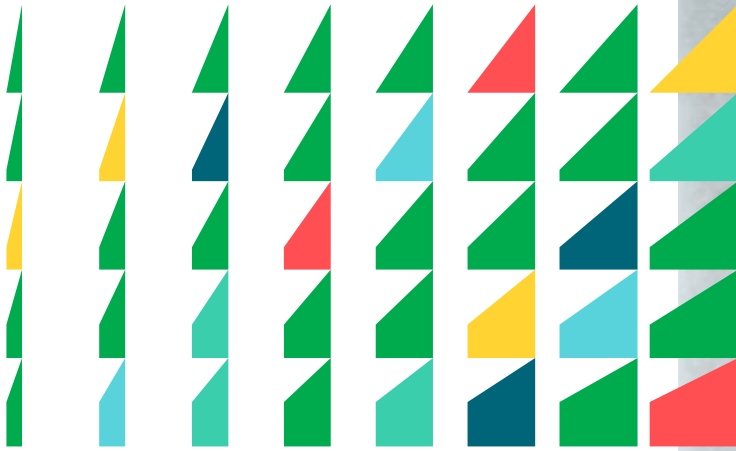
Operating surplus as a percentage of recurring income



Commentary

At 22.7%, AAT's surplus on recurring activities for the year to March 2022 was 17.7% more than the 5% target set by Council and is the result of continuing to keep a good control of costs ([see page 56](#) for further details).

The President's view 2021–22



Heather Hill started her professional career as an AAT qualified accountant and has been a professional AAT member for 32 Years. Heather's career has included working in the finance department of a Local Authority and, after a short career break to raise a family, she started her own accountancy and taxation practice, which she ran for 24 years.



Heather is an AAT Fellow, as well as a Fellow of the Association of Taxation Technicians. She has served on AAT Council since being elected, in 2016, as Vice Chair of the Audit Board and Chair of the Management Board, being voted Vice President and assuming the role of AAT President in September 2021.

I was delighted to take up the role of AAT President, despite it being in the middle of a challenging year for everyone. AAT weathered the storms of the pandemic, in particular, incredibly well.

We took the opportunity to review our working practices and, using technology to best effect, adopted hybrid working arrangements and more online services for members and students.

Changing the guard

This success is all the more remarkable considering operational changes, including the retirement of our former CEO, Mark Farrar, in July 2021. Over seven years, Mark made a great contribution to ensuring AAT's governance and management were modernised and that we became a more accountable and efficient business. We thank him for his contribution.

Mark's departure also meant I was involved in appointing our new CEO, Sarah Beale. Like me, Sarah studied and gained membership of AAT at the start of her career. She then qualified as a certified chartered accountant and held a number of finance-based roles before moving into general management. Sarah has brought a wealth of relevant skills and experience, a fresh energy and dynamic, and a passion for inclusivity and what it can deliver. I'm excited to see how she will influence the future evolution of AAT.

The President's view 2021–22

Highlights in the year

In the first few months of my presidency, the pandemic constrained my ability to meet people face-to-face; however we quickly adapted and found new ways of working. This meant that I was able to attend the International Federation of Accountants (IFAC) Council two-day virtual conference and maintain AAT's visibility in that important international forum. This year's focus was on sustainability and climate change – two key areas we will continue to support our members with.

I was also very pleased to attend the Training Provider Conference. The role of training providers is crucially important in AAT's ecosystem and, on a personal note, I always appreciated the hard work of my tutors and how they supported my career development.

I took a lead on building relationships with other accountancy organisations by arranging in-person and virtual meetings with my peers in bodies such as the Chartered Institute of Public Finance Accountancy (CIPFA), the Institute of Chartered Accountants in England and Wales (ICAEW), the Chartered Institute of Management Accountants (CIMA), the Association of Chartered Certified Accountants (ACCA) and other professional bodies. I believe strongly that closer links and increased collaboration will benefit the whole profession.

I was delighted that our in-person, physical branch meetings were able to restart again in October 2021. They are a great source of networking, enabling our members to meet other accounting professionals, find local business opportunities and share best practice. At one branch meeting I attended, the focus was on starting your own business and I was able to share my experience of running a business.

I was amazed how many students, members and colleagues from AAT Council attended and there was a great buzz in the room. It underscored the importance of branch meetings as a vital source of support and continuous learning.

Another highlight was attending and supporting a panel discussion at accelerAATe 2022 – our first-ever online student conference – held over three days in January. We were aware that, for some students, remote study was challenging and so we ran six sessions with speakers and expert panels taking questions. Each day featured practical sessions on topics such as how to study, the value of AAT qualifications and how to stand out in the job market. The aim was to re-energise students and build their confidence after a tough year. We also wanted to give our students support and motivation to inspire them to finish their studies by highlighting what will be available in the future. The conference was well supported and garnered a lot of positive feedback, with more than 2,270 students attending. It was a privilege, as AAT President, to tell the students about my own experience, including the importance of believing in yourself to achieve your goals.

Future vision for AAT

Looking to the future, we're also mindful of the need to make AAT as environmentally sustainable as possible. In the knowledge that the lease on our premises was coming to an end in June 2022, we took the opportunity to seek an alternative location with more flexibility and better energy efficiency credentials. I'm delighted that AAT's new premises in Canary Wharf will reduce our carbon footprint and lower our fixed costs, while at the same time, enhancing staff wellbeing and cultural fit.

A final, critical part of my role has been working with Sarah to scope AAT's future vision for 2030. This long-term plan will secure the continued forward momentum of the organisation and ensure its agility and continued relevance and influence.

As a long-term AAT member, I particularly want to see greater membership engagement and to improve the member experience. Another area of focus will be on facilitating the development of stronger links with schools to support a more direct pathway for school-leavers into apprenticeships and AAT qualifications.

Whatever form this future takes, I am confident that with Sarah at the helm, supported by an excellent team, a strong and committed Council and Executive, highly engaged members, and a diverse and energetic student body, it will be a rewarding and exciting journey for us all.

CEO's report 2021–22



Sarah Beale joined AAT in November 2021. Having chosen to be an AAT trainee over going to university, Sarah regards AAT as the foundation of everything she has achieved since. Like many AAT members, she has broad experience in different organisations and sectors, including her former role as Chief Executive of the Construction Industry Training Board.

Building a community of excellence and opportunity

Despite external storms, AAT continued to be the largest awarding body in the profession, providing life-changing accountancy technician qualifications.

I became AAT's Chief Executive because this organisation provides genuinely open, lifelong learning opportunity and was a springboard for my career. Having trained with AAT, I have a clear understanding of the impact that an AAT qualification can have. It is a privilege to be writing my first CEO report and seems inconceivable that – having started my working life studying and then gaining membership of AAT – I now have the honour of personally contributing to its continued success and significant impact on the accountancy profession and wider society.

Whilst I have spent many years working in support of an entirely different sector – construction – I am struck by the parallels across these people-focused sectors. What is required are professional people, armed with the practical and technical skills to be productive in their employment. Then, those individuals need access to the continuous learning and upskilling required to meet the ever-changing needs of their sector. I have championed for many years the value of inclusivity and the positive impact this can bring to individuals, businesses and society at large. When true inclusion is combined with access to quality training, qualifications and employment, we have a powerful combination. AAT provides open access for individuals to a pivotal sector and a community in which our students and members can thrive and prosper.

CEO's report 2021–22

Current environment

I join AAT in a year like no other, against the backdrop of a complex and uncertain political and financial environment. The impact of a truly shocking war in Ukraine will have global implications for years to come and compounds the challenges already caused by a global pandemic and we are all now feeling the impact of inflation at unprecedented levels in recent history. Additionally, the implications of Brexit are starting to unfold and, with an ageing workforce, businesses are more conscious than ever of a skills shortage and the resulting need for the UK to grow its own talent. This is nurturing an appreciation of the value of skills-based, practical qualifications and the business-ready employees that AAT provides.

The United Nations Climate Change Conference (COP26) provided a timely reminder of the urgency of the climate emergency we face and marked a greater focus than ever on the need to embed true sustainability across the globe. This presents AAT with huge opportunities to equip our students and members with the technical and modern accountancy skills that are increasingly in demand, including the environmental, social and governance (ESG) agenda in areas like sustainable finance, carbon accounting and pay gap reporting.

Thankfully, there is now broad recognition of the need to improve levels of diversity in the workplace and across all roles. In 2021–22, we developed our core commitments to equality, diversity and inclusivity by publishing our gender and ethnicity pay gaps and exceeding our Women in Finance Charter targets. We will continue to implement measures that meet the challenges of diversity and inclusion, levelling up and sustainability, to ensure that AAT continues to make a real difference in society.

Finally, many of us are experiencing changes to our working lives. The pandemic has been an accelerant for change that has highlighted the need for digital solutions and changes to working practices. Against all of this, the role of a financial professional could not be more pivotal.

Never has there been a more important time for practical skills to be deployed. The UK, like many other countries, is suffering a skills shortage and – with many being displaced from industries most adversely hit by the pandemic – our qualifications and professional membership offer are a fantastic option for career changers and school leavers alike. There is increasing global recognition of the value that vocational and technical qualifications, and professional membership can provide and AAT is uniquely positioned to provide authentic and proven solutions for many of the challenges we're now facing.

A reflection on 2021–22

AAT did not escape the challenges of the pandemic. In the absence of a CEO for part of the year, the business coped exceptionally well, with senior management stepping up and taking the business forward, leading, not just managing. I want to thank the senior management team for their diligent and skilful leadership during this time. Difficult decisions made earlier in the pandemic have yielded a good financial position that has protected services to members and helped the move to more agile ways of working for colleagues and customers alike. It also afforded AAT an opportunity to grow and develop our offer further. We adapted products and services so people could carry on with their learning and complete their qualifications. AAT was able to introduce adaptations without compromising the high-quality of our qualifications, whilst also working hard to ensure we didn't leave any students behind.

A huge positive arising from the pandemic is a step change in people's awareness of, and commitment to, better mental health. AAT has always demonstrated a strong commitment to this and was quick to ensure additional support for colleagues throughout the pandemic. Like many businesses, we will be navigating the implications of hybrid working, balancing an unprecedented level of home working and flexibility that is now a 'new normal,' with the social and business requirements of personal interaction. This contributed to an increase in our employee engagement score yet again and I am delighted that we've been recognised as a 1 Star company in the Best Companies to Work For survey.

By February 2022, we commenced the pilot for our new suite of qualifications – Qualifications 2022 (Q2022) – which will be ready to launch in September 2022. It was a huge task, updating content to reflect the future requirements of a technical accountant, and introducing four key themes, which are embedded throughout all levels of the qualifications: sustainability, ethics, communications and technology.

In addition, these qualifications will be delivered through a brand new assessment platform, which will provide an improved user experience and a flexible, functionally rich and fully integrated platform using current technology that is widely supported and is future-proofed as much as possible. This was a substantial project for the business, delivered while colleagues and suppliers were working remotely full-time for most of the year, alongside the delivery of other new initiatives and improvements to our services.



We have also continued to modernise and improve our customer services. We introduced new automation in the form of a live chat bot for everyday queries that can link enquirers to a 'live person' as necessary. Since its inception at the end of 2021, it has taken thousands of customer queries. I say 'customers' because – whether they are members, students or training providers – we are developing our customer-centric approach. To that end, internally, we launched new values and behaviours that are designed to deliver better value for our customers, as well as creating a great place to work.

AAT's Professional Standards and Policy activities have facilitated improvement and excellence through providing assurance to AAT membership and the wider profession. Our policy reviews and development of extensive member support resources have contributed to high levels of member compliance with AML obligations and a decline in the number of cases referred for disciplinary investigations from our practice assurance activities. This was further reinforced by the positive findings from the Office for Professional Body AML Supervision (OPBAS) review visit.

This commitment to high standards forms the bedrock of our policy work to raise the profile of AAT and our members and underpinned the main message of our Accountable campaign – the risks inherent in employing the services of an unregulated accountant. Our commitment to wider public benefit issues was further demonstrated through our successful campaign to secure an exemption for small businesses to the economic crime levy, the successful lobbying for an extension on Capital Gains Tax reporting and persuading HMRC to temporarily waive late filing and late payment penalties for self-assessment taxpayers.

These are just a few of the highlights from AAT's year, with the many other deliverables detailed throughout this report.

The future

I hope I have conveyed what I believe was a successful year and a very bright future for AAT and our members. One where AAT can provide even greater support for our members, to ensure that we thrive, achieving even greater recognition for the value we bring.

AAT is coming into its own. Our community will provide work-ready individuals with strong technical skills and an approach to accountancy that reflects what a modern economy needs. This includes digital skills and an awareness of the ESG agenda, including gender reporting, sustainable finance skills and carbon accounting. We have accelerated digital adoption and that lets us look at wider social mobility, broadening opportunities for prospective students and the talent pool for employers.

More widely, the accountancy sector must recognise that in an economy-wide competition for talent, it needs to be seen as an attractive profession. So, we're stepping up to make sure that AAT's unique version of how we help people on their journey is promoted and clearly understood.

This autumn, we will share our long-term aspirations and vision for AAT, presenting what we would like to achieve and become by 2030. We see a role and contribution for AAT that's much broader than qualifications and membership alone. We want to have a greater impact on the wider profession and society, delivering our charitable objectives and continuing our work to influence government policy.

Our long-term aspirations will drive the new services and products required to support our profession and improve the impact of financial skills more widely. The work to identify these is already underway and will include increasing our levels of influence in supporting our members, helping create and attract a talent pool for the profession, building an even stronger community for AAT students and members, and reviewing our qualifications portfolio, Continuing Professional Development offer and other training products and services.

I would like to end by taking this opportunity to thank all my AAT colleagues for the way they continued to deliver to the highest of standards in very challenging circumstances, driving home improvements throughout the year. I would also like to thank AAT's members for their continued support, which enables AAT to do great things for them and the profession.

Section 172 statement

In accordance with Section 172 of the *Companies Act 2006*, the duty to promote the success of AAT was complied with by our board of non-executive directors – who form our Council – through their approval of our business plan. All decisions were made in line with AAT’s business plan, with the long-term best interests of the Charity and its stakeholders in mind.

Our culture and employee welfare and engagement are important to Council members. We support our employees and give them opportunities to grow and develop.

During 2021–22, as staff continued to work from home for a second year, due to the Covid-19 pandemic, we paid special attention to their wellbeing in these challenging circumstances, as demonstrated by our policy of maintaining regular contact and an enhanced staff wellbeing programme.

We are committed to providing our students and members with services that help them to develop. Working closely with our network of third-party organisations, we build strong business relationships that enhance the valuable support package and additional services we offer to our students and members, helping them to build and maintain their skills.

Council members understand the importance of maintaining productive relationships with stakeholders, underscored by a strong sense of purpose. We have continued to maintain our voice and influence with government, regulators and policymakers, and played an active role in establishing, maintaining and raising professional standards of accountancy and in helping the profession adapt to the continuing demands of the pandemic. Alongside this, our range of qualifications, EPAs, Informi subscribers and PR programme highlights some of the ways we are engaging with external stakeholders.

Council members are mindful of AAT’s impact on the community and environment. AAT has pledged to act responsibly to benefit society and to support sustainability to protect our environment. This includes our role as a member of Accounting for Sustainability, as a signatory of the *Women in Finance Charter* and *Prompt Payment Code*, and the commitment to six United Nations Sustainable Development Goals. We have also committed to the *Race at Work Charter*.

As a registered charity dedicated to increasing the availability of high-quality accountancy education, AAT’s reputation and business conduct are paramount to its future success and ability to deliver value to its various stakeholders. AAT has an experienced Council which ensures that corporate governance best practice is followed, supported by a Management Board, Audit, Nominations and Governance and Remuneration Boards and two independent regulatory boards: the Awarding Organisation Compliance Board, and the Professional Regulation and Standards Compliance Board.

The future



The environment around us

2021–22 was the second year of the global pandemic. We remained vigilant to changing regulations and other external factors so we could respond flexibly and quickly to issues affecting our students, members and staff. Going forward, it's essential we maintain this focus on the external environment, which, with the start of a war in Europe, has become more volatile. This is our view of the most influential external drivers, the ways they could impact us and how we are responding in order to maximise opportunities and minimise risks.

Ukrainian war

Impact

There are impacts on finance regulation and the economic outlook. Obligations around sanctions will need to be continuously monitored and reported to members. The war will likely exacerbate high inflation rates and the cost-of-living crisis, impacting AAT staff and other stakeholders. Uncertainty about the potential for escalation may have an impact on people's preparedness to commit to study.

Our response

We will continue to monitor the situation and keep students and members well-informed on issues that affect them. We will also continue to engage with external regulators to ensure AAT's commitment to its obligations reflect any emerging challenges accordingly.

Covid-19

Impact

Like the virus, the impacts are receding, but have not disappeared, including mental and physical after effects.

Our response

Depending how the government reacts, we may need to consider reinstating mitigations to prevent any adverse impact on student progression. We will continue to monitor for variants of concern and government policy decisions.

Our colleagues' welfare remains a priority and working practices will remain under observation.

Competition for skills

Impact

The current demand for employees outstrips supply and consequently salaries are high. This could and will impact on our ability to hire quality staff to fulfil roles, particularly technical roles, necessary for the delivery of future work. It also impacts our ability to retain staff in essential roles.

Our response

Continue to ensure that AAT remains an employer of choice, building on our improved engagement scores in the Best Companies survey and completing a review of our pay framework to ensure this remains fit for purpose so we can attract and retain high-calibre people.

Further education (FE) landscape

Impact

The sector remains volatile and uncertainty around funding continues. We also need to factor in the impact of reforms to post-16 technical education and training.

Our response

We will continue to work closely with relevant stakeholders, including FE colleges, to ensure that our qualifications remain relevant and fundable. We will stay close to changes in the funding and regulation landscape to adjust our qualifications as necessary and also look for new opportunities.

The environment around us

The climate emergency

Impact

The risks to AAT from extreme weather events are low, but it and stakeholders will likely have to bear some additional costs as energy systems increasingly diverge from fossil fuels. AAT could incur a negative reputational impact if it fails to demonstrate a sincere commitment to carbon reduction.

Our response

AAT has announced its commitment to reaching net zero emissions and evidence this with an announced relocation to offices with an environmental assessment rating of 'Excellent'.

AAT has identified Climate Action as one of six of the UN Global Compact Sustainable Development Goals we are supporting.

We also have an opportunity to promote sustainable finance practices more widely across the accountancy profession.

Cyber and data security

Impact

Cyber attacks are increasing in frequency, complexity and sophistication. There is significant potential for high impact on both AAT's operations and reputation, as well as on suppliers and other stakeholders. This risk is heightened as a result of the war in Ukraine.

Our response

As well as continually monitoring evolving threats and acting to minimise our exposure, we have committed to a further programme of investment in AAT's infrastructure to ensure that stakeholders' data is protected.

We also engage all staff in regular e-learning in order to ensure that cyber security concerns remain in focus.

Changing regulatory landscape

Impact

The potential for UK regulation to increasingly diverge from EU regulation in the post-Brexit period impacting, for example, UK Data Protection law. The divergence of privacy laws across the globe also poses further restrictions to the movement of data across borders. In addition, changes in professional regulation could have implications for AAT members.

Our response

We will continue to lobby lawmakers to influence legislation in our stakeholders' favour and keep stakeholders informed about any new legislation that may impact them. We are strong advocates of enhancing standards of professionalism within the accountancy profession and continue to emphasise the value that regulated members of AAT bring to the sector.

Change in the role of the accountant

Impact

A high impact on AAT – it affects both training delivery mechanisms and what accounting technicians will typically be doing in the workplace, which our qualifications will need to reflect.

Our response

We must continue to integrate the impact of continued changes in technology.

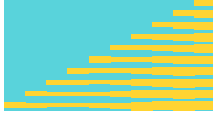




The risks we face



With bewildering speed, the potential repercussions of war in Ukraine overtook Covid-19 as the dominant external risk factor at the end of the reporting year. AAT is not directly exposed but the economic impact on AAT's members, students, staff and other key stakeholders will need to be carefully watched. Nor has Covid-19 completely disappeared.

In response to this and other evolving situations, we have a multi-layered approach to managing risk. It's driven by our Council's oversight of the Strategic Risk Register through the Corporate Risk Register managed by the Executive team, and overseen by our Audit Board down to the more detailed risks captured at a departmental and team level across the organisation. The risk management framework is further underpinned by our critical incident reporting processes that often help to identify emerging risks.



The risks we face

Risk	Impact	Appetite	Mitigating action
Decline in levels of membership satisfaction with AAT services and support and in opportunities for engagement.	Decline in customer numbers and a loss of reputation.		Implementation and development of AAT's business plan identifying the transition to a digitally-enabled, customer-facing operations model and responsive, agile, decisive organisation. This includes: optimising current operations, making processes more efficient, implementing automated/digital solutions to our top ten pain points, and enhancing the capability and capacity of people and technology.
Significant decline in demand for AAT products and services.	Training providers opt not to offer AAT qualifications.		Implementation and development of AAT's business plan identifying the intent to change the strategic, financial and commercial balance of the organisation by delivering growth and building strong value propositions for developing a product strategy and pipeline. This includes: continuous monitoring and review of all aspects of regulated qualification performance, seeking opportunities to work in collaboration/partnership with third parties, ongoing evaluation of changes in technology and the impact on AAT and its membership, the development of non-regulated qualification products, and analysing performance statistics and emerging trends relating to student/member behaviours.
A decline in AAT's UK/ international profile and its ability to influence.	Heightened dissatisfaction among the membership with the way in which they are being represented.		Increasing the impact AAT has across the profession through raising standards and ensuring compliance. This includes: establishing a strong voice of authority and delivering on key public affairs and public policy objectives, delivering improvements in the professionalism and quality of skills of members and students, continuous self-assessment undertaken for awarding organisation feeding into annual statements for compliance, continuous self-assessment of AAT's compliance with other regulatory obligations and successful delivery against all relevant business continuity requirements.
AAT, and the role occupied by AAT members, becomes irrelevant.	Decline in individual and employer-driven demand for qualifications and membership.		Implementation and development of AAT's business plan which has established a direction of travel to address the need for ongoing relevance. This includes: ongoing analysis of performance statistics and emerging trends, capturing and sharing additional insight through various channels, and developing AAT's strategic priorities through the business planning process to include business analytics and product pipeline.
AAT is partially or fully non-compliant with relevant legislative and/or regulatory obligations.	AAT is subject to investigation, for example by qualifications regulators, the Office for Professional Body Anti-Money Laundering Supervision, and/ or the Information Commissioner's Office.		Implementation and development of AAT's business plan specifically focusing on raising standards and ensuring compliance. This includes: meeting business continuity requirements, continuous self-assessment undertaken as an awarding organisation feeding into annual statements for compliance, continuous self-assessment of AAT's compliance with professional body regulatory obligations, continuous self-assessment of AAT's compliance with General Data Protection Regulation legislation, continuous self-assessment of AAT's compliance with other existing and emerging regulatory obligations and successful delivery against all relevant business continuity requirements.

Risk appetite

Open	Moderate	Cautious	Averse
Open to all different routes to delivery of strong outputs, with some risk of adverse impact attached.	Moderate levels of risk exposure, preferring acceptable, possibly ambiguous, output.	Accept some low risks, assured delivery route, restricted reward.	Accept as little risk as reasonably possible, strongly assured options, low chance of adverse outcome, but limited reward.

The risks we face

Risk	Impact	Appetite	Mitigating action
AAT systems not fit for purpose and/or destabilised.	Disruption to operations and resultant impact on service delivery.		Enable the transition to a digitally-enabled operations model. This includes: ensuring that AAT systems are compliant with all relevant standards, putting appropriate measures in place with regular testing/updates to ensure that information and communication technology infrastructure is secure, undertaking ongoing analysis of emerging technologies and opportunities to enhance AAT systems accordingly, reporting regularly on implementation of development resources on programme and business as usual activities, and delivery of our organisational operational plan.
AAT fails to meet or exceed customer service expectations.	Decline in student/member numbers and a loss in reputation.		Enable the transition to a customer-facing operations model and a responsive, agile and decisive organisation. This includes: optimising current operations, making processes more efficient across teams, implementing automated/digital solutions to our top ten pain points in customer interaction, enhancing the capability and capacity of people and technology, monitoring of real-time customer service activity/feedback, undertaking the annual UK Customer Satisfaction Index benchmarking exercise, and actively engaging in relevant customer service networks in order to continually benchmark against industry best practice.
Insufficient/inadequate human resource capacity and capability.	Decline in capacity to deliver on core activities.		Enhancing the capability and capacity of AAT staff. This includes: reporting regularly on AAT human resources, providing monthly updates on emerging position with regard to staff turnover and ongoing recruitment activity, implementing an internal audit review action plan, and delivering on our organisational operational plan.
AAT has insufficient financial resources.	Decline in scope for investment.		Implementation and development of AAT's business plan, identifying the intent to change the strategic, financial and commercial balance of the organisation. This includes: monthly reporting of actual versus budget and forecast results, weekly review of the value of AAT's investment portfolio, regular reviews of AAT's pension deficit valuations, and monitoring defensive strategies adopted for AAT's investment portfolio and pension scheme.

Risk appetite

Open	Moderate	Cautious	Averse
Open to all different routes to delivery of strong outputs, with some risk of adverse impact attached.	Moderate levels of risk exposure, preferring acceptable, possibly ambiguous, output.	Accept some low risks, assured delivery route, restricted reward.	Accept as little risk as reasonably possible, strongly assured options, low chance of adverse outcome, but limited reward.

Financial review

Reserves target

Council sets target income reserve levels (income reserves) of at least 30% and no more than 40% of gross annual revenue expenditure but allows flexibility over the plan cycle to flex the income reserves level between 30% and 40%, depending on the view of risk and of the investment needs of the business.

Council considers this range to be appropriate to cover the risk and development needs of AAT. These levels are considered to be in line with good financial governance.

This year, the cost-mitigating actions started in the previous year and a recovery in income have resulted in a surplus above the agreed threshold. This increase in the level of reserves will be used by AAT to manage any operational challenges and provide accessible funding for the major developments planned in the next financial year.

Group income reserves level

The Group income reserves level, after tangible and intangible assets and equivalent to free reserves, was £29,001,000 at 31 March 2022 (2021: £23,685,000). This was 114.4% of gross annual revenue expenditure (2021: 91.7%) and above the target level set by Council of between 30% and 40% (2020: 30% and 40%), or between £7,605,000 to £10,140,000 of gross annual revenue expenditure. The reserves will enable the Group to continue with its plans for greater investment in product growth, delivery of key programmes to improve the membership and student experience, and investment in infrastructure and customer-facing initiatives.

AAT Group’s total unrestricted funds as at 31 March 2022 were £33,067,000 (2021: £24,702,000), with the defined benefit pension scheme valued at nil (2021: deficit of £516,000). The payment plan agreed with the pension scheme Trustees is explained on [page 56](#). There are no restricted funds which are not available for the general purposes of the Charity.

Key performance indicator:

Levels of income reserves

2022	£29.0 million
2021	£23.7 million

Principal funding sources and how expenditure in the year has supported AAT’s objectives

We receive our funding primarily from our membership – mostly through subscriptions and assessment fees. Traditionally, we receive income from other streams such as events or courses organised for our members but, due to the pandemic, this has been limited. We use this income to provide our assessments, offer member services and ensure our qualifications are widely recognised and of high quality. We can then reinvest in up-to-date technology to support our assessments and provide e-learning material.

Our expenses include staff costs for employees directly involved in providing or supporting our activities. This excludes costs for non-executive Trustees (Council members), who do not receive remuneration.

In order to provide member services, we incur costs in human resources, finance, marketing, information and communication technology, office accommodation, administration, compliance and facilities, as well as for our website and magazines. All of which are critical enablers for other teams to improve and provide services alongside helping AAT deliver its objectives.

Financial review

Review of our financial position for the year to 31 March 2022

The year started cautiously as we entered the second year of the Covid-19 pandemic. We saw some recovery in the income stream and savings from the cost reduction programme in the previous financial year, which, coupled with continuing stricter cost management, have further strengthened the Group's cash position during the year. The Group remains in a cash positive position without having to divest any of the investment portfolio managed by Ruffer.

Investment in infrastructure and delivery of customer-facing initiatives, such as the development of Qualifications 2022 (Q2022) and the new assessment platform, has continued. Further funding has been allocated to the promotion of future growth in products and markets, including key programmes to improve the membership and student experience.

During the year, AAT signed a five-year lease for the new office at Churchill Place in Canary Wharf. Having considered our duty of care towards our employees as we learn more about Covid-19 and how to live with it – and our employees' stated preference for hybrid working – we concluded that a reduction in floor space at our new premises was well supported and made good commercial sense. Our new office also contributes towards our carbon neutral agenda.

The strong cash and investment situation puts us in a good position to execute the business strategy to meet our business objectives and ultimately our charitable objectives.

The financial statements on [pages 69 to 91](#) are based on the results of the AAT Group. The Group Statement of Financial Activities on [page 70](#) shows a level of net income before other recognised gains and losses of £8,246,000 (2021: £8,186,000), or 25.5% (2021: 27.9%) of total income. This year's net income shows a modest increase on the prior period. Investment gains of £1,321,000 (2021: £4,661,000) are reduced compared with the previous year but this has been offset by the increase in income from charitable activities. Income from charitable activities for the year was £31,388,000 (2021: £28,065,000).

The net movement in the unrestricted income funds of the AAT Group, after the gain in the pension reserve arising under Financial Reporting Standard (FRS) 102, was an increase of £8,365,000 (2021: £8,019,000).

No third-party fundraising agencies were used and therefore there have been no complaints during the year.

Key performance indicator:

Surplus of recurring income over expenditure

2021–22 £7,172,000 or 22.7%

2020–21 £5,345,000 or 18.5%

The surplus of recurring income over expenditure measures total income and expenditure, excluding those derived from investment, trading and development activities. The target set by Council is 5%. During the period, we continued our investment in development projects, with net development expenditure of £3,062,000 (2020: £1,694,000), of which £2,586,000 was capitalised (2021: £550,000). This included investing in internally developed software to facilitate new products and services, enhancing customer services and improving internal efficiencies. During the same period, we also spent £649,000 on leasehold improvements and other fixed assets for the set up of the new office at Churchill Place.

We continued to invest in staff and systems to maintain and improve the services we provide, and to deal with the increasing demand from our members and other parties as business confidence returned generally. The expenditure on recurring activities was slightly higher at £24,430,000 (2021: £23,577,000) as business activity picked up. We continue to look for efficiencies to maintain an overall net surplus and scrutinise any additional expenditure.

Review of AAT's final salary pension scheme

The most recent triennial valuation, as of 31 March 2021, for scheme funding purposes, showed an actuarial deficit of £1.84 million with a market value of scheme assets of £25.29 million and scheme liabilities (Technical Provisions) measured at £27.13 million. This equates to a funding level of 93%. It was agreed with the Trustees of the scheme that the deficit recovery plan that was put in place following the previous triennial valuation in 2018 would continue with AAT paying £400,000 into the scheme in April of each year until 2024, followed by a final payment of £275,000 in April 2025.

A separate report for FRS 102 purposes at each year-end is produced by an independent actuary whose assumptions are unbiased, mutually compatible and selected to lead to the best estimate of future cashflows that will arise under the plan. While these assumptions are appropriate for valuing the liabilities for pension FRS 102 accounting purposes, they may not necessarily be appropriate for valuing the Scheme's liabilities for scheme funding purposes. The 0.3% uplift following the High Court judgement made in 2018 in the Lloyds Banking Group case with respect to guaranteed minimum pension (GMP) equalisation, has been maintained for the 2022 year end. As corporate bond yields have risen and refinements were made to the demographic assumptions, the value of liabilities has fallen more than the assets.

Financial review

Over the year, the assets have remained broadly unchanged and AAT's annual contribution of £400,000 has offset the benefits paid to members during the year. This has resulted in the FRS 102 actuarial report showing a significantly improved position of a net surplus of £1,242,000 (2021: deficit of £516,000) at 31 March 2022 in contrast with the recent triennial funding valuation report which showed a funding deficit of £1,842,000.

While our agreement with the scheme Trustees to continue with the deficit recovery plan remains in place until the next triennial valuation, which is due by 31 March 2024, we are not recognising the FRS 102 surplus as an asset in the accounts. We provide further details in notes 1 and 7 to the accounts.

Investment policy and objectives

Statement of investment principles and treasury policy

The Management Board, largely comprising members with a finance background, is responsible for the effective management of AAT's investments, although the day-to-day management of surplus cash held by AAT is delegated to the Executive team. Ruffer LLP was appointed in May 2009 to manage our non-cash assets and achieve our investment objectives below.

The investment objectives focus on ensuring that Ruffer has invested medium to long-term funds in an 'absolute return' strategy, to seek more consistent returns and to reduce volatility. In 'absolute return' strategies, the investment manager does not track the market as such, but uses a range of asset classes to minimise market volatility and target a long-term real return. Ruffer's goal is to preserve capital and prevent any loss of money on a rolling 12-month basis and to achieve returns meaningfully ahead of the return on cash. Ruffer's commitment to investing responsibly means that their investment decisions are based on both fundamental and environmental, social and governance (ESG) analysis. By investing responsibly, Ruffer believes that it will achieve better long-term outcomes for its clients.

Throughout their investment process, Ruffer considers the ESG issues as they represent both sources of value and investment risks. Fully incorporating these considerations into their investment approach forms an essential part of their responsibility to us as our professional investment manager. They also engage directly with companies they have invested in and exercise the voting rights and responsibilities that equity investing confers on them. Ruffer provides written quarterly reports on the performance of the investments under management and attends biannual meetings with the Management Board.

We invest surplus cash in treasury non-cash assets after careful consideration of our business plan. We also take into account the free cash resources needed to fund the business plan and cover any risks likely to create financial impact over the business planning period.

It is AAT's treasury policy to invest surplus short-term cash (over a period of up to a year) to maximise the level of interest income, while, at the same time, ensuring that capital is preserved and working capital requirements are met. The treasury policy states that any excess cash should be placed in short-term deposits with A- (but preferably higher) credit rated institutions. UK government-backed institutions are preferred. As at 31 March 2022 the Group held £13.913 million in cash and short-term deposits (2021: £9.821 million).

The Management Board has maintained the same investment strategy for this financial year and a review is due to be completed as part of the longer-term business strategy.

Investment performance

The Management Board receives regular updates of investment performance and meets with Ruffer LLP, at least twice a year, to review the portfolio's most recent quarterly performance under its management. The regular meetings also enable the board to maintain a good understanding of Ruffer's strategic approach and ensure it continues to meet AAT's investment objectives. Council also receives an investment report at each of its meetings.

As of 31 March 2022, AAT held £25.71 million (2021: £24.4 million) of investments with Ruffer LLP. This represented an increase of 5.3%, compared with an increase in the FTSE All-Share of 8.5% over the same period, making £1,321,000 of investment gains (2021: £4,661,000). There was no new investment of surplus funds during the year (2021: £nil).

During the third quarter, responsible investment came into sharp focus in the lead up to COP26 in November. The challenges of Covid-19 continued as the pandemic-related monetary support was withdrawn at the same time as the emergence of the Omicron variant. Active management of the portfolio's duration or interest rate sensitivity increased in importance as we moved into a world of higher interest rates and inflation volatility. Active equity allocation contributed positively to the performance of the portfolio as Ruffer added healthcare equities on low valuations to the portfolio and took some profit from the energy and UK financial stock holdings that had been added in the first half of the financial year.

Financial review

With the start of the war in Europe in the final quarter of our financial year, inflation in the US and Europe hitting record or close to all-time highs and the highest commodity price shock since 1973, Ruffer's strategy has been to hold a portfolio of diversified assets including interest rate and equity options and gold, all playing a role at different times. Portfolio activity saw the equity weight reduced from 40% to 35%, reflecting the deteriorating liquidity and the difficulty in sourcing protection. The gold bullion exposure was increased to 2% as the sanctioning of the Russian Central Bank made it clearer that 'non-aligned' countries should diversify their Treasury holdings, and a 5% position was taken in Australian government bonds to reflect the commodity-backed nature of the currency. Inflation-proofed assets remain the core of the portfolio with UK inflation-linked bonds, gold and Australian bonds offering stagflation protection and energy stocks as reflationary assets.

Ruffer continues with its approach to keep risk capital concentrated on the core conviction of inflation protection, whilst avoiding taking any risk that they do not feel comfortable with.

Investment in subsidiaries

The Management Board monitors the Charity's investment in its wholly owned trading subsidiary 'Accounting Technicians (Services) Limited' (ATSL) by receiving regular performance reports of ATSL, as well as budgets and business plans. These reports enable the board to confirm that the return to the Charity and the carrying value is appropriate and are then reviewed by Council at its next meeting. A new service agreement between AAT and ATSL was signed in September 2021 to replace the agreement, dated 25 November 2010, between the two parties. ATSL's wholly owned subsidiary 'Accounting Technicians Enterprises Limited' (ATEL) is a non-trading entity.

AAT's other subsidiaries 'Accounting Technician (Publications) Limited' and 'AAT Botswana (Proprietary) Limited' are either dormant or non-trading entities.

Going concern

In 2021, the Group undertook a detailed exercise to create a realistic budget for the financial year ended 31 March 2022 and an overview budget for the following two financial years based on trends from the two financial years prior to the Covid-19 pandemic.

The cost reduction programme that started in the previous financial year continued with stricter cost management and regular monitoring of fixed and variable costs.

During the year to 31 March 2022, a new forecasting tool was implemented using trends and algorithms to create a detailed budget for the financial year to 31 March 2023. A monthly re-forecast and regular sensitivity analyses are performed to ensure that it is kept up to date and relevant.

Following the Covid-19 pandemic, there has been some recovery in the income stream during the year. This, along with the cost reduction programme, has continued to strengthen the cash position this year and the cashflow forecast projects future liquidity to July 2023 without needing to divest any of the investment portfolio managed by Ruffer. The investments continue to be held to provide protection against unexpected significant changes in the operating environment.

The budget for the new financial year allows for greater investment in product growth and delivery of key programmes to improve the membership and student experience, along with ensuring the foundations are fit for the future.

AAT continues to invest in infrastructure and delivery of customer-facing initiatives, such as the development of Q2022 and the new assessment platform. A strategy programme has been introduced in 2022 to allocate further funding to the promotion of future growth in products and markets. This is essential to keep AAT relevant.

AAT's trading subsidiary, ATSL, presents a profit of £229,000 for the year (2021: £111,000 loss). There is a detailed three-year plan for ATSL, which commenced on 1 April 2021, that includes development of products and services to generate income and profit. The groundwork has been laid to support the plan for the next two years. ATSL shows an increased net asset position of £445,000 (2021: £216,000) and has adequate cash reserves to meet its liabilities as they fall due.

ATEL and the other two subsidiaries are either dormant or non-trading so have not been considered as adversely impacting the going concern of the Group.

Having reviewed the strategic risks facing AAT and the Group, as well as the cash flow forecast model and the expected level of cash and investments, the Trustees consider there are sufficient reserves held at 31 March 2022 to manage those risks and achieve the revised business plan. The Trustees believe that AAT and the Group have adequate resources to fund their activities for the period of at least twelve months from the date of signing the accounts. Accordingly, the Trustees are of the view that AAT and the Group are a going concern.

Governance



Structure, governance and management

Reference and administrative details of the AAT Group

The Association of Accounting Technicians, referred to throughout this report as AAT, is registered as a company limited by guarantee with Companies House in England and Wales (No. 1518983) and registered as a charity with the Charity Commission for England and Wales (No. 1050724).

AAT's trading subsidiary, 'Accounting Technicians (Services) Limited' (ATSL) is a private limited company registered with Companies House in England and Wales (No. 03116873). ATSL has a wholly owned subsidiary 'Accounting Technicians Enterprises Limited' (ATEL), a private limited company registered with Companies House in England and Wales (No. 11272946), which has not traded during the year.

There are currently four Directors of ATSL and ATEL: one appointment from among the Directors of AAT, two independent Directors and the Chief Executive of AAT.

The registered office for AAT, ATSL, ATEL and Accounting Technician (Publications) Ltd (a dormant subsidiary) is 30 Churchill Place, London E14 5RE.

AAT Botswana (Proprietary) Limited, a subsidiary company and office of AAT (registered in Botswana No. BW00001129005), is in place to meet regulatory requirements imposed by the Botswana Qualifications Authority. There are currently two Directors: AAT's Chief Executive and, as required, one director who is resident in Botswana.

Organisation and control

AAT's governing body is its Council. All members of Council are both Trustees and non-executive Directors of AAT. Day-to-day management is delegated to AAT's Chief Executive and other senior members of staff.

The Trustees are responsible for ensuring the Group acts solely to further AAT's charitable objects. [See page 92](#) for details of the members of Council and the Executive team.

Organisational structure of the AAT Group (how decisions are made)

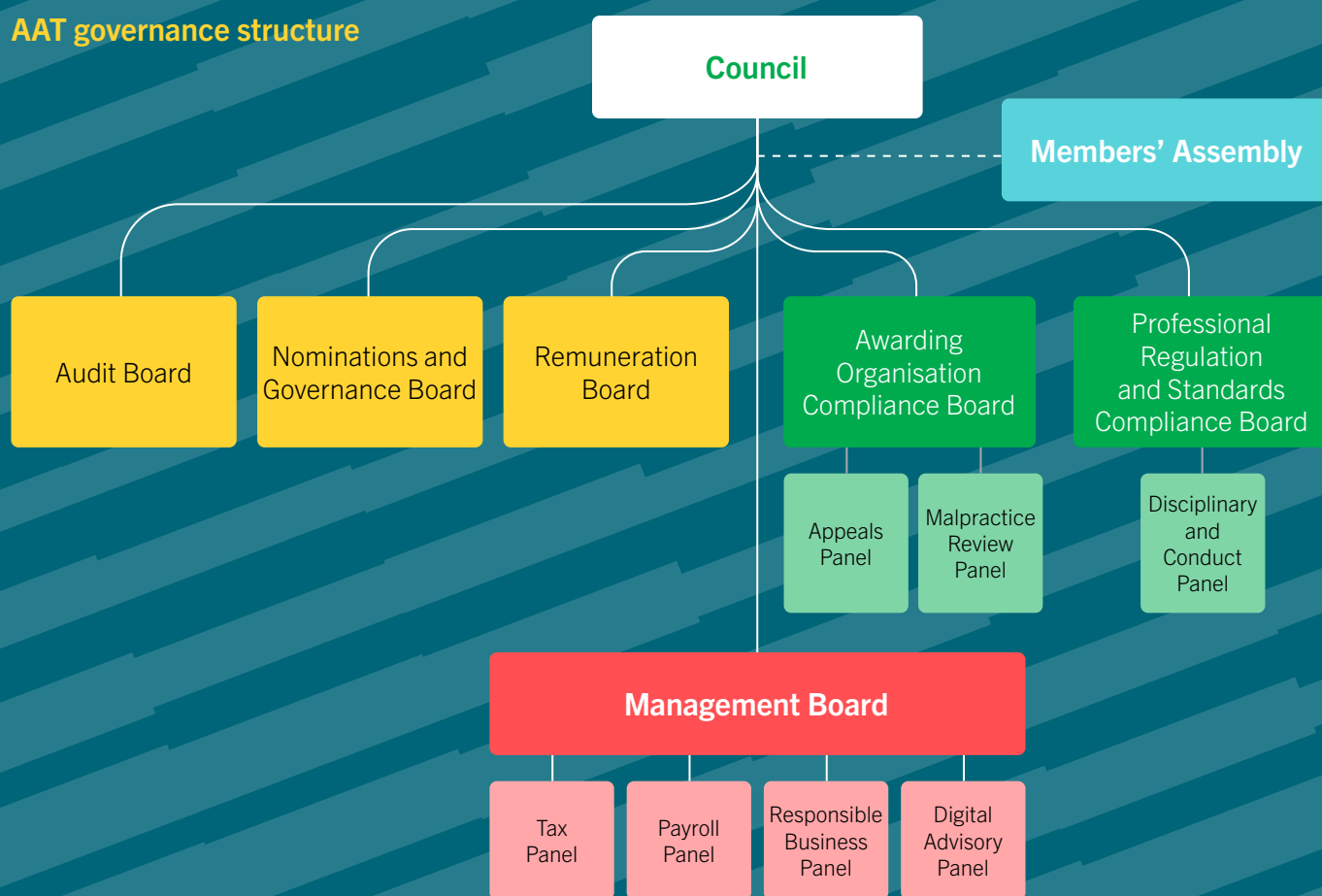
Council is responsible for specific functions, which it does not delegate. It also oversees a framework of delegation, with clear levels of authority, which enables other matters to be dealt with by relevant supporting boards and panels, and the Executive. Council reviews the terms of reference of boards and panels together with the scheme of delegation at least annually.

Council is made up of both elected and independent members, providing the basis for greater diversity and a broader mix of skills and experience. Council is supported by the Management Board, Audit Board, Nominations and Governance Board and Remuneration Board, and two independent regulatory boards: the Awarding Organisation Compliance Board and the Professional Regulation and Standards Compliance Board. In addition, there are several support and technical panels. The Members' Assembly provides a voice for the wider AAT membership and a mechanism to provide feedback to Council on policy issues and matters of wider concern affecting the membership as a whole.

All decisions taken by the Board of ATSL, AAT's trading subsidiary, are in line with the parent Charity's objects and any conflicts of interest are managed and addressed within the Group's best interest.

Structure, governance and management

AAT governance structure



How the directors have promoted the success of the company for the benefit of the stakeholders

See the [Section 172 statement](#) on [page 48](#) for further details.

Business relationships

See the [Section 172 statement](#) on [page 48](#) for further details.

Employee reward and benefits

Alongside our organisation-wide bonus, AAT has a pay framework that links individual performance to a base salary increase. Any increases usually take place in June and are backdated to April. For more information, see the annual remuneration statement on [page 64](#). AAT provides a range of benefits that are available to all staff, including a health cash plan, critical illness cover, a generous contribution pension scheme as well as income protection cover.

The AAT Group Personal Pension Scheme, which is currently managed by Scottish Widows, continues to perform well against the market. We run pension presentations as part of our benefits communications strategy to encourage colleagues to take an active role in planning for their retirement, whatever their age.

The approach that Scottish Widows takes to ESG standards aligns to the ethical values and principles of AAT. All Scottish Widows funds seek to exclude investment in companies that deal with cluster munitions and landmines, activities of which are illegal in the UK and banned by international conventions to which the UK government is a signatory. Scottish Widows is due to launch an ESG impact tool so that all our employees who are members of the scheme can better understand the impact of their investments from an ESG perspective. This is something we believe our staff will really engage with.

Governance and internal control

AAT continues to pursue high standards of governance, based on the Charity Governance Code for larger charities and the UK Corporate Governance Code. Where applicable, the principles and guidance are taken into account in managing the affairs of AAT, for example in terms of leadership of the organisation and the effectiveness of Council.

During the course of the year, an internal audit review of AAT's governance arrangements was undertaken, the objective being to provide assurance over the governance changes introduced in 2017–18 and to identify areas for continuous improvement. For the purposes of the review, areas of AAT's governance were benchmarked against related elements of the Charity Governance Code.

Structure, governance and management

As an important component of good governance, AAT has in place a Code of Conduct for Council members, which Trustees are expected to sign up to on appointment together with a declaration of eligibility. In addition, AAT holds a register of Council members' interests to ensure clarity and openness and to uphold the integrity of AAT. All are reviewed at least annually.

AAT Council meetings are chaired by our President. On behalf of our membership, our Council ensures AAT has the appropriate levels of governance to oversee an effective substantial charity.

Effectiveness

Recruitment and appointment of new Trustees

Council has ten elected members – six independent members and four ex-officio members: the President, Vice President and the two most recent Past Presidents. The Vice President is elected by members of Council, a position held for one year, before taking up the role of AAT President.

Commitment

All AAT Trustees commit to serving as a member of Council and may also be members of one or more of the supporting boards. The Council year begins from the close of the AGM in September and members meet at least four times a year. Boards typically meet three or four times a year with the Management Board meeting more frequently. In addition, Council has an annual strategy day, which provides an informal forum for activity-based working with the Executive team. Trustees are expected to attend all relevant meetings and the Articles of Association require that at least 50% of Council meetings are attended.

During 2021–22, the majority of governance meetings have been held virtually due to Covid-19 restrictions. Going forward, a more blended approach has been adopted with a mix of physical, hybrid and virtual meetings.

Members of Council play an important role in representing AAT to the public and, as such, are encouraged to attend a variety of events in their ambassadorial role.

Members can serve on Council for a total of nine years (not including time served as an ex-officio member) before they are required to take a break.

Development

There is a framework in place for Council members' learning and development which provides the opportunity to develop skills and knowledge and to help members contribute effectively to the work of AAT. New Trustees receive information prior to, and on, appointment as part of their induction and have the opportunity to 'buddy up' with another member of Council. Learning and development sessions for both Council and individual boards and panels are held throughout the year to facilitate continued learning.

While to date, self-evaluation exercises have been undertaken by individual boards, the coming year will see the implementation of a more formal process to evaluate the effectiveness of AAT's Council and supporting boards on an ongoing basis.

Information and support

Under the leadership of the Chief Executive, members of the Executive provide help, advice and support to Council and its boards and panels.

Diversity

Council recognises that there is opportunity to improve the breadth of diversity, in all of its guises, within its make-up and this will be a key focus moving forward. For the Council year 2021–22, Council comprised of 18 Trustees, 11 (61%) of whom were male and 7 (39%) female. Of the total full and fellow membership, 37% are male and 63% female.

Audit Board

AAT's Audit Board acts independently and reports directly to Council. The Board's terms of reference are based on guidance issued by the Financial Reporting Council (FRC) and there is at least one independent member serving on the Board.

The Audit Board's responsibilities include internal control and risk assessment, as well as reviewing (and challenging, where necessary) the annual report and financial statements of AAT and its subsidiaries. This is done with a particular focus on compliance with accounting policies and relevant standards, clarity of disclosures and adjustments resulting from the audit. The Board's activities include dealing directly, on Council's behalf, with the external auditors regarding the conduct of the audit.

AAT's Internal Audit function is provided by an external resource, BDO LLP, which acts independently of the external auditors. This function undertakes a programme of internal control reviews and reports to the Audit Board on the effectiveness of these controls and associated risk management on a regular basis.

Structure, governance and management

A key focus for the Board during the reporting period has been the oversight of AAT's risk management process and related reporting including cyber security and data privacy, the impact of Covid-19 and mitigating actions taken, the continued monitoring of the delivery and implementation of major projects in relation to risk and the rolling internal audit programme.

The consideration of risk is embedded within AAT's business planning process, and the Audit Board reports to Council on the key strategic risks at each of its meetings.

Data privacy

Our Data Privacy Steering Group continues to monitor data protection and cyber security risks and oversee the work in this area to ensure we remain compliant with the *Data Protection Act 2018*, both the UK and EU *General Data Protection Regulation (GDPR)* and associated legislation, and that we effectively address evolving cyber risks. At AAT, we are committed to applying good governance and security because we want to be a trustworthy organisation and protect our customer data – not because we have to. We strive to not only meet, but exceed, customer expectations in how we handle data, not to sell data, or misuse data in any way that would be unclear, unlawful or unethical.

This year, we implemented a revised and structured comprehensive policy framework. We continued to deliver ongoing training to all our staff to support the principle of data protection by design and default. We also continued to adapt to the evolving cyber threat landscape, as well as ensure that legal and security issues are taken into consideration at the earliest stages of a project lifecycle to protect the confidentiality, integrity and availability of our systems and data.

In a year where many organisations experienced detrimental effects of cyber attacks, we were pleased to report that throughout 2021–22 we did not experience any serious incidents or any requiring notification to the Information Commissioner's Office. We continued to report minor incidents and near misses internally and take action to analyse causes and lessons learned to prevent future occurrences.

We also procured an independent review of our Information Security Management System (ISMS). This provided independent assurance of the effectiveness of our ISMS and sits alongside our regular monitoring and audit activities.

We continued to assess, address and adapt to evolving cyber threats and the ever-changing landscape in this key risk area through regular monitoring activities and a regular cycle of security testing and the continuous improvement of our privacy and security framework. This included ensuring we had the appropriate tools and investment to address cyber threats and protect our stakeholders and the future of AAT.

We strive to be open and honest if things go wrong and transparent if a breach occurs. This includes going above and beyond what is required of us by law in the interest of protecting customer data, with strong governance practices.

Other matters

Details of AAT's advisors

The names and addresses of the third parties who were the main advisors to the AAT Group during 2021–22 are as follows:

Bankers

Lloyds Banking Group, Thavies Inn House,
6 Holborn Circus, London EC1N 2HP

Solicitors

Edwin Coe LLP, 2 Stone Buildings, Lincoln's Inn,
London WC2A 3TH

External auditors

RSM UK Audit LLP, 25 Farringdon Street,
London EC4A 4AB

Internal auditors

BDO LLP, 55 Baker Street, London W1U 7EU

Investment managers

Ruffer LLP, 80 Victoria Street, London SW1E 5JL

Annual remuneration statement

AAT provides fair pay and benefits for employees, which ensures that we attract and retain the right skills to achieve our charitable objectives.

Our Remuneration Board meets at least three times a year, comprising five members of AAT's Council and chaired by the immediate Past President. The Board also has a pay and reward specialist as an independent adviser.

The purpose of the Remuneration Board is to oversee the remuneration policy against which the Executive team and staff salaries are determined and monitor the framework for the remuneration of staff.

The Board's key responsibilities are:

- to monitor the framework for the remuneration of graded and ungraded staff
- to have oversight of, and implement, the remuneration policy (set by Council) against which the Executive team and staff remuneration is determined. This includes the total sum to be made available to the Chief Executive each year for application to staff salaries
- in consultation with the President and Vice President, approve the Chief Executive's remuneration in line with the remuneration policy
- to commission external market information on salary and remuneration packages to assist comparison and benchmarking with best practice
- to advise Council on the further development of the remuneration policy, the objective being to attract, retain and motivate staff to the quality required to run the organisation successfully. The remuneration policy should have regard to the risk appetite and align to longer-term strategic goals
- to approve the design of, and determine, targets for organisational-wide, performance-related pay
- to review the ongoing appropriateness and relevance of the remuneration policy
- to have oversight of the Group Personal Pension Scheme to ensure it supports wider remuneration policy, value for money and meets relevant regulatory requirements
- to annually review the board's terms of reference and to make recommendations to Council, via the Nominations and Governance Board, for changes as appropriate and to undertake periodic reviews of its own performance.

The objective of AAT's remuneration policy is to ensure we incentivise the Executive team and staff, to encourage excellent performance in a fair and responsible manner. We have a bonus system for the organisation, based on a flat rate for all employees, payable only if AAT achieves the targets set at the start of the year. The Executive team is also eligible for an individual performance-related bonus.

The achievement of our business plan targets depends on the performance of our people and, therefore, to get the best people, we need to invest in them. All employees who had been in their post between 1 April 2021 and 31 March 2022 received a bonus of £1,100 for achieving our targets for that year. The remuneration ratio between the highest and median salary is 5:1.

Trustees' responsibilities statement

The Trustees (who are also directors of The Association of Accounting Technicians for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) (United Kingdom Accounting Standards and applicable law). Under company law, the 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 the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group for that period.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP)
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose, with reasonable accuracy, at any time, the financial position of the company and enable the Trustees 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees confirm that in approving the Trustees' report they are also confirming the strategic report in their capacity as Directors of the charitable company.

By order of the Council



Christina Earls
Vice President and Trustee
Chair, Management Board
30 June 2022

Independent Auditor's report

Opinion

We have audited the financial statements of the Association of Accounting Technicians (the 'parent charitable company') and its subsidiaries (the 'Group') for the year ended 31 March 2022 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" UK GAAP.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent charitable company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the *Companies Act 2006*.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Other information

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

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

We have nothing to report in this regard.

Independent Auditor's report

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 Trustees' report, which includes the Directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report and the strategic report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report or the strategic report included within the Trustees' report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities set out on [page 65](#), the Trustees (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 Trustees 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 Trustees are responsible for assessing the Group's, and parent charitable 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 Trustees either intend to liquidate the Group or parent charitable 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 that 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

Independent Auditor's report

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the Group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the Group and parent charitable company operate in and how the Group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are Financial Reporting Standard (FRS) 102, Charities SORP (FRS 102), *Companies Act 2006*, *Charities Act 2011*, the parent charitable company's governing document and tax legislation. We performed audit procedures to detect non-compliances that may have a material impact on the financial statements, which included reviewing the financial statements including the Trustees' report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the *Office of Qualifications and Examinations Regulation* (Ofqual) and *General Data Protection Regulation*. We performed audit procedures to inquire of management whether the Group is in compliance with these laws and regulations.

The Group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to, testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgements and estimates.

A further description of our responsibilities for the audit of the financial statements is provided 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.

RSM UK Audit LLP

Hannah Catchpool (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

30 June 2022

The numbers



Group Statement of Financial Activities (incorporating the income and expenditure account) for the year ended 31 March 2022

	Notes	2022 Total funds £'000	2021 Total funds £'000
Income from:			
Charitable activities			
Subscriptions and fees	3	17,824	17,630
Assessments		12,938	9,946
Events		146	59
Other		480	430
Total income from charitable activities		31,388	28,065
Raising funds			
Trading activities	20(i)	675	443
Investments	2	214	158
Total income from raising funds		889	601
Other income			
Coronavirus Job Retention Scheme (CJRS) government grant scheme		-	700
Total Other income		-	700
Total income		32,277	29,366
Expenditure on:			
Charitable activities			
Growing membership and other customer relationships	4	(9,599)	(11,295)
Developing accountancy skills	4	(9,662)	(8,738)
Enhancing standards of, and commitment to, professionalism	4	(3,601)	(3,474)
Broadening our influence	4	(1,803)	(1,565)
Raising funds			
Trading activities expenses	20(i)	(446)	(555)
Investment management costs		(241)	(213)
Total expenditure		(25,352)	(25,840)
Net gain on investments	12(iii)	1,321	4,661
Net income		8,246	8,186
Other recognised gains and losses			
Actuarial Gain/(loss) on defined benefit pension scheme	7	119	(167)
Net movement in funds, including pension reserve		8,365	8,019
Total funds brought forward		24,702	16,683
Total funds carried forward at end of year, including pension reserve	19	33,067	24,702

All income is unrestricted for the years ended 31 March 2022 and 2021.

The notes on [pages 73 to 91](#) form part of these financial statements.

Balance Sheets

as at 31 March 2022

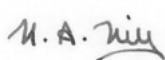
		AAT (Parent charitable company)		Group	
	Notes	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed assets					
Intangible assets	10	3,318	832	3,380	832
Tangible assets	11	686	185	686	185
Investments	12	26,256	24,962	25,710	24,416
Total fixed assets		30,260	25,979	29,776	25,433
Current assets					
Debtors	13	3,038	2,374	3,235	2,377
Cash and cash equivalents	14	13,590	9,547	13,913	9,821
Total current assets		16,628	11,921	17,148	12,198
Liabilities:					
Creditors: amounts falling due within one year	15	(13,720)	(12,304)	(13,857)	(12,365)
Net current liabilities		2,908	(383)	3,291	(167)
Total assets less current liabilities		33,168	25,596	33,067	25,266
Creditors: amounts falling due after more than one year	17	-	(48)	-	(48)
Total net assets before deducting pension liability		33,168	25,548	33,067	25,218
Defined benefit pension scheme asset/(liability)	7	-	(516)	-	(516)
Total net assets after deducting pension liability		33,168	25,032	33,067	24,702
Represented by:					
Unrestricted income funds					
General reserve		33,168	25,548	33,067	25,218
Pension reserve	7	-	(516)	-	(516)
Total unrestricted income funds	19	33,168	25,032	33,067	24,702

All funds are unrestricted.

The notes on [pages 73 to 91](#) form part of these financial statements.

As permitted by S408 of the *Companies Act 2006*, the Charity has not presented its own income and expenditure and related notes. Included in the consolidated income and expenditure is Charity-only net income of £8,017,000 (2021: net income of £8,297,000).

Approved by the Council on 30 June 2022 and signed on its behalf by:



Heather A Hill
President and Trustee



Christina Earls
Chair, Management Board

Company number 1518983

Group Cash Flow Statement

for the year ended 31 March 2022

	Notes	2022 Total funds £'000	2021 Total funds £'000
Cash flows from operating activities:			
Net cash provided by operating activities	a)	7,085	3,073
Cash flows from investing activities:			
Investment income	2	214	158
Purchase of intangible assets	10	(2,586)	(550)
Purchase of tangible fixed assets	11	(649)	0
Proceeds from sale of fixed asset investments		10,641	7,267
Purchase of fixed asset investments		(10,613)	(7,214)
Net cash used by investing activities		(2,993)	(339)
Changes in cash and cash equivalents in the year		4,092	2,734
Cash and cash equivalents at the beginning of the year	14	9,821	7,087
Cash and cash equivalents at the end of the year	14	13,913	9,821
a) Reconciliation of net income to net cash flow from operating activities			
Net income for the reporting year as per the statement of financial activities		8,246	8,186
Amortisation of intangible fixed assets	10	38	201
Depreciation of tangible fixed assets	11	148	151
(Gains) on investments	12	(1,321)	(4,661)
Investment income	2	(214)	(158)
(Increase)/Decrease in debtors		(858)	424
Increase/(Decrease) in creditors		1,443	(677)
Pensions reserve funding deficit movements		(397)	(393)
Net cash provided by operating activities		7,085	3,073

The notes on [pages 73 to 91](#) form part of these financial statements.

Notes to the Financial Statements

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice ("the Charities SORP") applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS) applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), 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 statements have been prepared on the historical cost basis except for investments, which are stated at bid market value as stated in the accounting policy below. The financial statements are prepared in pounds sterling, which is the functional currency of the Group, and rounded to the nearest thousand pounds.

AAT meets the definition of a public benefit entity under FRS 102.

Going concern

The financial statements have been prepared on a going concern basis which the Trustees believe to be appropriate. During the year to 31 March 2022, a new forecasting tool was implemented using trends and algorithms to create a detailed budget for the financial year to 31 March 2023. Monthly re-forecast and regular sensitivity analyses are performed to ensure that it is kept up to date and relevant.

With the recovery in income stream during the year and the cost reduction programme in place, the cash position this year has improved and the cashflow forecast projects future liquidity to July 2023 without needing to divest any of the investment portfolio managed by Ruffer. The investments continue to be held to provide protection against unexpected, significant changes in the operating environment.

With policies and processes in place to manage operational and financial risks, the Trustees believe it appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements.

Consolidation of financial statements of AAT's subsidiaries

The consolidated financial statements consist of the financial statements of AAT and all its subsidiaries. No separate statement of financial activities has been presented for the Charity alone as permitted by section 408 of the *Companies Act 2006*. The total turnover of the Charity is £31,602,000 (2021: £28,922,000). The net result of the Charity, without recognition of the FRS 102 pension scheme actuarial surplus, is a net surplus of £8,017,000 (2021: £8,297,000).

AAT owns the whole of the share capital of Accounting Technicians (Services) Limited (ATSL), which, in turn, owns the whole share capital of Accounting Technicians Enterprises Limited (ATEL), a non-trading entity. The consolidated financial statements have been prepared on a line-by-line basis with the results and net assets position at the balance sheet date set out in notes 20(i) and (ii). AAT also owns the whole share capital of AAT Botswana (Proprietary) Limited, which did not trade in the current or previous year. The other subsidiary undertaking, Accounting Technician (Publications) Limited was dormant throughout the current and previous year. All subsidiaries, except for AAT Botswana (Proprietary) Limited, a non-trading entity, have been included in the consolidation.

The Trustees have taken advantage of the exemption in FRS 102 1.11 to not disclose the Statement of Cash Flows for the Charity.

Branches are not consolidated as their results are not material to the Group.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on general funds that are available for use at the discretion of the Trustees in the furtherance of the general objectives of AAT, after deduction of the pension reserve. There are no restricted funds.

Recognition of income

Income is recognised when the Group has entitlement to the funds and it is probable that the income will be received and the amount can be measured reliably against an invoice, contract or agreement.

Income attributable to the financial period is recognised as follows:

- student, full and fellow members' subscriptions are accounted for in the period to which they relate
- student, full and fellow members' registration fees are accounted for at the time of registration
- assessment fees are accounted for when the assessments are contractually committed to by the student
- investment income is accounted for over the period in which it is earned
- other revenue streams are accounted for as earned or as the services are performed.

Notes to the Financial Statements

Deferred income

Student, full and fellow member subscriptions are payable in respect of a rolling 12-month period and are credited to income over the period to which they relate. The balance of this income that falls into the following period at the period end is shown as deferred income (see note 16). No obligation exists to repay this or any part of it to student, full or fellow members.

Government grants

The company did not receive any grants from the government under the CJRS during the year (2021: £700,000).

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Resources expended

All expenditure, inclusive of irrecoverable VAT, is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. A further analysis of this expenditure is given in notes 4 and 5.

Support costs are those costs incurred directly in support of the objects of the Group.

Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with use of the resources. All support costs have been allocated based on headcount.

Governance costs are those incurred in relation to the running of the Group and include strategic planning and attending to the constitutional and statutory affairs of the Group.

Pensions accounting policy

The Group has both defined benefit and defined contribution pension schemes. Normal contributions to the defined benefit (or final salary) pension scheme ceased during 2010, so is closed to future accrual.

For the defined benefit scheme, the pension liability recognised in the balance sheet represents the fair value of the scheme's assets less the present value of the defined benefit obligation, as calculated by AAT's actuaries under FRS 102. Any surplus is not recognised, while AAT is committed to the deficit reduction plan. Scheme assets are measured at fair values at the reporting date. The defined benefit obligation is determined by discounting future payments using interest rates equivalent to market yields on high-quality corporate bonds deemed to be AA-rated. The actuarial assumptions for calculating the value of the liabilities are set using 'best estimate' principles and reflect market yields and related factors at the balance sheet date. Assumptions should be mutually compatible and reflect underlying economic factors consistently.

An approximate allowance of 0.3% of the non-equalised liabilities has been made for the requirement to equalise guaranteed minimum pensions (GMPs) in the scheme following the 2018 High Court judgement relating to the Lloyds Banking Group. This additional liability is reflected in the balance sheet position as at 31 March 2022 and consistent with last year's accounting disclosures made by the actuary in their FRS 102 report.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are credited or charged to the Statement of Financial Activities as they arise. Pension scheme finance costs/income is calculated by applying the discount rate to the net balance of the defined benefit scheme obligation and the fair value of plan assets. The difference between interest income and interest cost on the defined benefit obligation is recognised immediately in the Statement of Financial Activities.

Contributions to our Group personal pension scheme, a defined contribution pension scheme, are charged to income and expenditure according to the period to which they relate.

Capitalisation and impairment of fixed assets

All single purchases of less than £10,000 (incl. VAT) are written off in the year of purchase unless forming part of a more comprehensive scheme where the total is £10,000 (incl. VAT) or more. Capitalisation and the amortisation period are reviewed on a project basis. Impairment of these assets is reviewed annually and provisions are made if an adjustment to the value is required.

Notes to the Financial Statements

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated to write down the cost less any residual value over the expected useful lives, using the straight-line method.

Expenditure, including own staff costs, incurred by AAT in relation to the development and implementation of internally generated assets, such as online services including e-learning, e-assessment and the development of AAT's website, have been capitalised at cost. These costs relate to the development stage of the project and are deemed to have a future economic benefit of more than a year. The amortisation of such expenditure is charged on a straight-line basis over the estimated useful life of the asset up to a maximum of three years and is apportioned across all four charitable activities in the income and expenditure account. The rates applicable are:

Category	Rates applied
Online services	33.3%–50.0%
Membership and finance computer software	12.5%–33.3%

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less any residual value over the expected useful lives (or the remaining period of the lease for leasehold improvements), using the straight-line method. The rates applicable are:

Category	Rates applied
Plant and equipment	10.0%–25.0%
Leasehold improvements	Over the life of the lease
Computer hardware	20.0%–50.0%

Leases

Rentals payable under operating leases are charged to income and expenditure on a straight-line basis over the lease term.

AAT fully provides for dilapidation costs relating to its leases on 140 Aldersgate Street over the full term of the leases and these were estimated at £644,000 as at 31 March 2022 (2021: £472,000). More detail is provided under significant accounting estimates and judgements.

Lease incentives

The rent-free period incentives on the leases for the basement, ground and first floors, and the fourth floor at 140 Aldersgate Street, have been spread over the term of the lease on a straight-line basis.

Financial Instruments

The company only has financial assets and financial liabilities that qualify as basic financial instruments.

Investments

Investments listed on a recognised stock exchange, including investment and unit trusts, are stated at fair value using the closing quoted bid market rate at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the period. It is AAT's policy to keep valuations up to date such that when investments are sold, there is no realised gain or loss arising. As a result, the Statement of Financial Activities does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings as they are, together, treated as changes in the investment portfolio throughout the period.

In the company's financial statements, investments in subsidiary undertakings are stated at cost less any adjustments for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, on demand and short-term deposits with a maturity of less than three months with banks and similar institutions, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Trade and other debtors

Trade debtors are stated at original invoice value less provision for doubtful debts. Bad debts are written off when identified. Other debtors, which includes accrued income, are initially stated at transaction price and subsequently amortised cost.

Notes to the Financial Statements

Trade and other creditors

Trade and other creditors are recognised at amortised cost.

Significant accounting estimates and judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Pensions

In determining the pension cost and the obligation of the defined benefit pension scheme, a number of key assumptions are used, including life expectancy, the discount rate, price inflation and the expected return on the scheme's investments. Management has chosen assumptions about these factors based on historical experience and current trends, as disclosed in note 7. Any pension liability represented by the fair value of the scheme's assets less the present value of the defined benefit obligation under FRS 102 actuarial reporting, is recognised in the balance sheet. However, while AAT remains committed to the deficit reduction plan introduced in 2018, no surplus will be recognised.

Membership lapsing provisions

In reporting membership subscription income for any period, a lapsing provision is recognised to account for those students, affiliates or members who are expected to have their membership ended, if they have not renewed or settled their subscriptions by a specified date. At the end of any accounting period, some members may not have renewed their subscriptions and if they still have not done so after a specified date, they will be lapsed on the systems, but this usually happens a few months after the renewal date. To ensure that the lapsing provision is matched to the subscription income that it relates to, the provision needs to be accounted for in the same period that the subscriptions were to be renewed. The membership subscription income is therefore adjusted downwards by the lapse provision. The provision is based on the number of students, affiliates or members who are expected to lapse by the end of a particular period and which is based on a combination of historical trends and member behaviours at that time.

Dilapidation provision

In estimating the dilapidation costs relating to the leases on 140 Aldersgate Street, a provision is calculated in accordance with the amount per square foot stipulated in the heads of terms for the basement, ground and first floors. This is applied from the start of the lease and increased by RPI (Retail Price Index) each year. This method is also used to estimate the dilapidation provision for the fourth floor. This provision has not been discounted since it is immaterial.

Investment impairment provision

At 31 March 2019 the Trustees took the view that the investment in Accounting Technicians (Services) Limited (ATSL) had been impaired by £154,000, represented by the losses in the ATSL's wholly owned non-trading subsidiary, Accounting Technicians Enterprises Limited (ATEL), from funding a project to research alternative sources of income. During 2020, 2021 and 2022, ATEL did not trade, so no further impairment has been provided as the balance was provided against in full in 2019.

ATSL's activities in the year to 31 March 2022 resulted in a profit of £229,000. ATSL is now delivering income growth and surplus, as part of the three-year plan from commercial activities, such as conferences, events, Essentials courses and Continuing Professional Development products and services.

The Trustees have evaluated the impaired value of the investment and as ATSL is still expected to generate future profits, the Trustees are not proposing any further impairment this year.

2. Investment income

	Group	
	2022 £'000	2021 £'000
Interest receivable	3	7
Dividends receivable from investments	211	151
Total	214	158

Notes to the Financial Statements

3. Subscriptions and fees

	Group	
	2022 £'000	2021 £'000
Full members' subscriptions and fees	8,866	8,906
Student and affiliate members' fees	8,958	8,274
Total	17,824	17,630

4. Analysis of expenditure on charitable activities

	Group			
	Direct staff costs £'000	Other direct costs £'000	Support and governance costs £'000	2022 £'000
Growing membership and other customer relationships	3,166	1,476	4,957	9,599
Developing accountancy skills	2,666	2,984	4,012	9,662
Enhancing standards of, and commitment to, professionalism	900	1,180	1,521	3,601
Broadening our influence	506	629	668	1,803
Total	7,238	6,269	11,158	24,665

	Group			
	Direct staff costs £'000	Other direct costs £'000	Support and governance costs £'000	2021 £'000
Growing membership and other customer relationships	4,069	1,188	6,038	11,295
Developing accountancy skills	2,367	2,682	3,689	8,738
Enhancing standards of, and commitment to, professionalism	913	1,043	1,518	3,474
Broadening our influence	468	494	603	1,565
Total	7,817	5,407	11,848	25,072

Notes to the Financial Statements

5. Analysis of support and governance costs

	Group				
	Growing membership and other customer relationships £'000	Developing accountancy skills £'000	Enhancing standards of, and commitment to, professionalism £'000	Broadening our influence £'000	Total 2022 £'000
Information and communication technology (ICT)	1,800	1,456	552	243	4,051
Human Resources	521	421	160	70	1,172
Finance	515	417	158	70	1,160
Procurement and facilities	1,181	956	363	159	2,659
Programme Management Office and Corporate Development	340	275	104	46	765
Governance	167	135	51	23	376
Chief Executive's Office	67	54	20	9	150
Enterprise Data	151	122	47	20	340
Central	215	176	66	28	485
Total	4,957	4,012	1,521	668	11,158

	Group				
	Growing membership and other customer relationships £'000	Developing accountancy skills £'000	Enhancing standards of and commitment to professionalism £'000	Broadening our influence £'000	Total 2021 £'000
ICT	2,824	1,724	711	282	5,541
Human Resources	455	278	114	45	892
Finance	580	355	146	58	1,139
Procurement and facilities	1,208	738	304	121	2,371
Programme Management Office and Corporate Development	542	331	136	54	1,063
Governance	173	106	43	17	339
Chief Executive's Office	129	79	32	13	253
Enterprise Data	47	29	12	5	93
Central	80	49	20	8	157
Total	6,038	3,689	1,518	603	11,848

In the table above, the basis of apportionment of the costs across the charitable activities has been headcount numbers.

Governance costs comprise staff costs of £223,000 (2021: £270,000), audit fees of £47,000 (2021: £34,000), legal and other professional fees of £58,000 (2021: £11,000) and costs of Trustee and other business meetings of £48,000 (2021: £24,000).

Notes to the Financial Statements

6. Employees

	Group	
	2022 £'000	2021 £'000
Staff costs		
Salaries and wages	9,774	10,625
Employer's social security costs	1,037	1,089
Employer's pension costs – Group personal pension scheme	797	935
	11,608	12,649
Staff recruitment and training	459	273
	12,067	12,922
Staff costs capitalised in development projects during the year	(749)	-
Staff Costs charged to Statement of Financial Affairs during the year	11,318	12,922

Redundancy payments of £18,000 (2021: £147,000) were made during the year. All payments in both the current and prior year were made as compensation for loss of office. Such payments are recognised in the year they arise.

Employee numbers

The average number of staff employed by AAT throughout the year was as follows:

	2022 No.	2021 No.
Charitable activities	114	135
Support and governance	103	112
Total	217	247

Emoluments of senior staff

The details of employees whose emoluments amounted to £60,000 or above for the year are as follows:

	Employees (excluding Chief Executive)		Chief Executive	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Salary	2,262	2,476	128	187
Bonus	49	30	11	1
Private medical insurance	5	7	1	2
Total	2,316	2,513	140	190

The previous CEO was in post until 1 July 2021 and the present Chief Executive Officer joined on 1 November 2021.

The ratio of the Chief Executive's emoluments (annualised) to the lowest-paid employee is 9.6 (2021: 9) and the ratio to the median-paid employee is 5 (2021: 5).

Notes to the Financial Statements

6. Employees (continued)

The number of employees whose total emoluments amounted to £60,000 or above for the year is as follows:

	2022 No.	2021 No.
£60,001–£70,000	12	14
£70,001–£80,000	9	8
£80,001–£90,000	2	2
£90,001–£100,000	3	3
£100,001–£110,000	1	1
£110,001–£120,000	1	2
£120,001–£130,000	-	1
£130,001–£140,000	1	1
£140,001–£150,000	1	-
£180,001–£190,000	-	1

The key management personnel of AAT comprise the Trustees and the five members of the Executive team as listed on [page 92](#) (2021: 6 members). No remuneration is paid to the Trustees. The total remuneration of the senior management team, defined as the Executive team, is as follows:

	Group	
	2022 £'000	2021 £'000
Salary	678	857
Bonus	41	7
Employer's social security costs	91	105
Employer's pension costs	56	85
Private medical insurance	7	8
Total	873	1,062

The current CEO was in post for five months and the previous CEO was in post for three months during 2021–22, one other Executive left his post in December 2021.

For the year to 31 March 2022, the emoluments of senior staff contain a bonus amount for the previous year to 31 March 2021, which was paid in June 2021. All members of the Executive team are members of the Group personal pension scheme. One of the five members of the Executive has retained retirement benefits under the defined benefit pension scheme (2021: one of six).

7. Pension arrangements (AAT and Group)

AAT operates both a closed final salary pension scheme and an ongoing Group personal pension scheme to provide retirement benefits to its staff:

The Group Personal Pension Scheme

This is a defined contribution scheme which involves no commitment by AAT other than that of paying an agreed level of normal contributions, currently set at a minimum of 6% and maximum of 10.15% of basic salary (the employee rate is a minimum of 3% of basic annual salary). Contributions during 2022 were £807,000 (2021: £935,000). AAT offers ethical fund options for staff members.

The Final Salary Pension Scheme (closed)

The final salary pension scheme was closed to new members in June 2002 and closed to future member benefit accrual from 1 May 2010.

The administration of the final salary scheme is the responsibility of the Trustees of the scheme, and its assets are held separately from those of AAT and managed professionally. Contributions to the final salary scheme are determined by a qualified actuary based on triennial valuations using the attained age valuation method to determine contributions to the scheme.

Notes to the Financial Statements

7. Pension arrangements (AAT and Group) (continued)

FRS 102 Disclosure Note

The Final Salary Pension Scheme is a defined benefit scheme providing benefits on final pensionable salary. The latest FRS 102 actuarial valuation was carried out at 31 March 2022 by an independent actuary, Broadstone.

Reconciliation of funded position of final salary scheme

	2022 £'000	2021 £'000
Net defined benefit liability at 1 April	(516)	(741)
Movement in year:		
Employer contributions	400	400
Expense recognised in the income and expenditure account	(3)	(8)
Actuarial gain/(loss)	1,361	(167)
Surplus/(Deficit) per FRS 102 actuarial report at 31 March	1,242	(516)
FRS 102 Surplus not recognised	(1,242)	-
Net defined benefit position recognised at 31 March	-	(516)

The main financial assumptions used at the past two balance sheet dates were as follows:

	2022	2021
Discount rate	2.6%	2.2%
Retail price inflation	3.75%	3.4%
Consumer price inflation	3.05%	2.6%
Increases to pensions in payment		
• Total pensions accrued prior to 6 April 1997	3.0%	3.0%
• Total pensions accrued between 6 April 1997 and 31 January 2007	3.9%	3.8%
• Total pensions earned from 1 February 2007	2.3%	2.1%
Revaluation of non-GMP in deferment		
• Pre-April 2009	3.05%	2.6%
• Post-April 2009	2.5%	2.5%
Commutation allowance	20%	12.5%

The mortality assumption used is in line with the following tables: mortality before and after retirement: S3PA CMI 2020 (2021: S2PA CMI 2017) mortality tables projected by year of birth.

Notes to the Financial Statements

7. Pension arrangements (AAT and Group) (continued)

The scheme's assets and liabilities were as follows:

	Value at 31/3/22 £'000	Percentage of total assets	Value at 31/3/21 £'000	Percentage of total assets
Fair value of the scheme's assets:				
• Equities	6,215	24.6%	6,218	24.6%
• Alternatives	3,757	14.9%	3,614	14.3%
• Bonds	7,544	29.9%	7,012	27.7%
• Liability driven investments	6,341	25.1%	7,008	27.7%
• Gilts	1,354	5.4%	1,350	5.3%
• Other assets	30	0.1%	102	0.4%
	25,241		25,303	
Present value of the scheme's liabilities	(23,999)		(25,819)	
Actuarial surplus/(deficit) at end of year	1,242		(516)	
FRS 102 surplus not recognised	(1,242)		-	
Recognised defined benefit scheme position at end of year	-		(516)	

Reconciliation of fair value of plan assets over the year

	AAT and Group	
	2022 £'000	2021 £'000
Fair value of plan assets at the beginning of the year	25,303	24,318
Interest income on plan assets	561	539
Return on plan assets excluding interest income	(652)	396
Employer contributions	400	400
Benefits paid	(371)	(350)
Fair value of plan assets at end of the year	25,241	25,303

Reconciliation of defined benefit obligation over the year

	AAT and Group	
	2022 £'000	2021 £'000
Defined benefit obligation at the beginning of the year	25,819	25,059
Interest cost on the defined benefit obligation	564	547
(Gain)/loss from the effect of experience adjustments	(1,828)	(328)
(Gain)/loss from the effect of changes in assumptions	(185)	891
Benefits paid	(371)	(350)
Past service cost	-	-
Defined benefit obligation at end of the year	23,999	25,819

Notes to the Financial Statements

7. Pension arrangements (AAT and Group) (continued)

Pension income/(expense) recognised as part of income and expenditure

	AAT and Group	
	2022 £'000	2021 £'000
Interest income on plan assets	561	539
Interest cost on defined benefit obligation	(564)	(547)
Net pension scheme finance costs and total pension expense	(3)	(8)

Actuarial gain/(loss) to be recognised after net income/(expenditure)

	AAT and Group	
	2022 £'000	2021 £'000
Return on plan assets excluding interest income	(652)	396
Gain from the effect of experience adjustments	185	328
Gain/(loss) from the effect of changes in assumptions	1,828	(891)
Actuarial gain/(loss) per FRS 102 Actuarial Report	1,361	(167)
Surplus not recognised	(1,242)	-
Gain/(loss) recognised in the year	119	(167)

Return on plan assets

	AAT and Group	
	2022 £'000	2021 £'000
Interest income on plan assets	561	539
Return on plan assets excluding interest income	(652)	396
Return on plan assets	(91)	935

8. Council and Board expenses

	AAT and Group	
	2022 £'000	2021 £'000
Total Council and Board expenses incurred in respect of travel, accommodation and subsistence	24	3

Included in the above are £4,575 (2021: £500) of expenses reimbursed to 12 (2021: 4) Trustees in respect of travel, accommodation and subsistence.

No payments are made to members of the Council for their services as Charity Trustees or Directors other than the reimbursement of expenses incurred in providing such services. None of the Trustees held any beneficial interest in the share capital of any of our subsidiary companies.

Notes to the Financial Statements

9 Net income for the year is stated after charging:

	AAT and Group	
	2022 £'000	2021 £'000
Net income is stated after charging:		
Operating lease expense	1,423	1,304
Development expenditure not capitalised	476	619
Amortisation charges	38	201
Depreciation charges	148	151
Audit fee – Charity, excluding VAT	42	40
Audit fee – subsidiaries	5	5

The surplus of income over expenditure for the Group on recurring activities excludes non-capitalised development expenditure, gains from the fixed asset investment portfolio and ATSL's net profit from its trading activities.

10. Intangible fixed assets

	AAT			Group		
	Online services £'000	Computer software £'000	Total £'000	Online services £'000	Computer software £'000	Total £'000
Cost						
At 1 April 2021	2,938	1,546	4,484	2,938	1,546	4,484
Additions	1,978	546	2,524	2,040	546	2,586
At 31 March 2022	4,916	2,092	7,008	4,978	2,092	7,070
Amortisation						
At 1 April 2021	(2,121)	(1,531)	(3,652)	(2,121)	(1,531)	(3,652)
Charge for the year	(23)	(15)	(38)	(23)	(15)	(38)
At 31 March 2022	(2,144)	(1,546)	(3,690)	(2,144)	(1,546)	(3,690)
Net book value						
At 31 March 2022	2,772	546	3,318	2,834	546	3,380
At 31 March 2021	817	15	832	817	15	832

The additions this year relate to assets under development of £2,586,000 which have not been amortised in this financial year as they have not been in use. Amortisation will begin on commencement of use of such assets in the future.

Notes to the Financial Statements

11. Tangible fixed assets

	AAT and Group			
	Leasehold improvements £'000	Plant and equipment £'000	Computer hardware £'000	Total £'000
Cost				
At 1 April 2021	1,195	677	690	2,562
Additions	199	107	343	649
At 31 March 2022	1,394	784	1,033	3,211
Depreciation				
At 1 April 2021	(1,088)	(599)	(690)	(2,377)
Charge for the year	(86)	(62)		(148)
At 31 March 2022	(1,174)	(661)	(690)	(2,525)
Net book value				
At 31 March 2022	220	123	343	686
At 31 March 2021	107	78	0	185

All tangible fixed assets are held for charitable use. The additions made during the year relate to the move to the new office and will start to be depreciated upon completion of the relocation in May 2022.

12. Fixed asset investments

(i) AAT held the following investments at 31 March:

	AAT		Group	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Investment portfolio (see note 12(iii))	25,710	24,416	25,710	24,416
Investment held in net assets of Accounting Technicians (Services) Limited (see note 12(ii))	546	546	-	-
Total investments held	26,256	24,962	25,710	24,416

(ii) AAT has interests in the following subsidiary undertakings:

	Holding	Nature of business	Country of incorporation / registration and number
Accounting Technicians (Services) Limited (see note 20(ii))	100% £1 ordinary shares	Private Limited Company	England and Wales 03116873
Accounting Technicians Enterprises Limited (see note 20(ii))	100% Indirectly through ATSL £1 ordinary shares	Non-trading	England and Wales 11272946
Accounting Technician (Publications) Limited (see note 20(iii))	100% £1 ordinary shares	Dormant	England and Wales 02063899
AAT Botswana (Propriety) Limited (see note 20(iv))	100% 1 pula ordinary shares	Non-trading	Botswana UIN BW00001129005

Notes to the Financial Statements

12. Fixed asset investments (continued)

(ii) AAT has interests in the following subsidiary undertakings (continued)

Investment in Accounting Technicians (Services) Limited

	AAT	
	2022 £'000	2021 £'000
Carrying value at beginning of year	546	546
Carrying value at 31 March	546	546

(iii) Investment portfolio

	AAT and Group	
	2022 £'000	2021 £'000
Investments on a recognised stock exchange	24,210	23,571
Cash	1,500	845
Total	25,710	24,416

	2022 £'000	2021 £'000
Investments on a recognised stock exchange are as follows:		
Valuation at beginning of year	23,571	18,729
Add: acquisitions at cost	9,959	7,214
Less: disposals	(10,641)	(7,033)
Net gains on revaluation	1,321	4,661
Fair value at 31 March	24,210	23,571

	2022 £'000	2021 £'000
These investments are held in the following securities:		
UK equities	3,686	4,507
Overseas equities	5,374	6,204
Bonds	8,725	7,375
Other	6,425	5,665
Fair value at 31 March	24,210	23,571

The historic cost of these investments is as follows:

	2022 £'000	2021 £'000
UK equities	3,225	3,984
Overseas equities	3,932	4,342
Bonds	8,114	6,508
Other	5,747	5,242
Historic cost at 31 March	21,018	20,075

Notes to the Financial Statements

13. Debtors

	AAT		Group	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors – see below	1,551	1,324	1,751	1,399
Other debtors	283	96	323	123
Prepayments	1,161	855	1,161	855
Amount due from subsidiary undertakings	43	99	-	-
Total	3,038	2,374	3,235	2,377

Other debtors include a refundable deposit of £174,000 that is held by the landlord and repayable when the lease ends in February 2027.

Trade debtors

	AAT		Group	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Organisations	1,739	1,719	1,939	1,794
Individuals – fees and subscriptions	981	789	981	789
Less membership lapsing provision	(1,169)	(1,184)	(1,169)	(1,184)
Total	1,551	1,324	1,751	1,399

14. Cash and cash equivalents

	AAT		Group	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Cash at bank	5,880	4,037	6,203	4,311
Treasury deposits	7,710	5,510	7,710	5,510
Total	13,590	9,547	13,913	9,821

Notes to the Financial Statements

15. Creditors: amounts falling due within one year

	AAT		Group	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade creditors	1,409	144	1,424	144
Taxes and social security	394	468	411	467
Other creditors	60	51	60	51
Accruals	1,680	1,893	1,688	1,897
Deferred income (see note 16)	9,477	9,053	9,574	9,111
Fees received in advance	8	16	8	16
Rent accrual reversing within one year (see note 17)	48	207	48	207
Provision for dilapidation	644	472	644	472
Total	13,720	12,304	13,857	12,365

Provision for dilapidation

	AAT and Group	
	2022 £'000	2021 £'000
Balance at beginning of year	472	365
Provided during the year	172	107
Balance at 31 March	644	472

16. Deferred income

	AAT		Group	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Balance at beginning of year	9,053	9,381	9,111	9,439
Deferred during year	18,919	17,916	19,194	18,006
Released during year	(18,495)	(18,244)	(18,731)	(18,334)
Balance at 31 March	9,477	9,053	9,574	9,111

Student, full and fellow member subscriptions are payable in respect of a rolling 12-month period and are credited to income over the period to which they relate. The balance of this income that falls into the following period at the period end is shown as deferred income (see note 16). No obligation exists to repay this or any part of it to student, full or fellow members.

Notes to the Financial Statements

17. Creditors: amounts falling due after more than one year

Rent accrual

This relates to the rent-free incentive for the leases at 140 Aldersgate Street which has been spread over the lease term on a straight-line basis. The leases expire in June 2022.

The movement on the rent accrual for the year was as follows:

	AAT and Group	
	2022 £'000	2021 £'000
Balance at beginning of year	255	462
Accrual released during year	(207)	(207)
Balance at 31 March	48	255
Split of rent accrual:		
Accrual reversing within one year	48	207
Current obligations	48	207
Accrual reversing within two to five years	-	48
Non-current obligations	-	48
Total	48	255

18. Operating lease commitments

The total future minimum operating lease payments are as follows:

	AAT and Group			
	Property		Plant and equipment	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Within one year	945	1,474	4	27
Between one and five years	4,027	346	8	53
More than five years	-	-	-	1
Total	4,972	1,820	12	81

19. Unrestricted income funds

	Group	
	2022 £'000	2021 £'000
At beginning of year	24,702	16,683
Net income for the year	8,246	8,186
Surplus before pension scheme actuarial gain	32,948	24,869
Pension scheme actuarial gain/(loss)	119	(167)
At 31 March, including pension reserve	33,067	24,702

Notes to the Financial Statements

19. Unrestricted income funds (continued)

	AAT	
	2022 £'000	2021 £'000
At beginning of year	25,032	16,902
Net income for the year	8,017	8,297
Surplus before pension scheme actuarial gain	33,049	25,199
Pension scheme actuarial gain/(loss)	119	(167)
At 31 March, including pension reserve	33,168	25,032

20. Subsidiary undertakings and intra-group transactions

(i) Accounting Technicians (Services) Limited (ATSL)

The company made a profit before tax of £229,000 in 2022 (2021: loss of £111,000). Its activities for the year are summarised below:

Profit and loss account for the year ended 31 March	2022 £'000	2021 £'000
Turnover	675	443
Cost of sales	(88)	(208)
Gross profit	587	234
Other operating expenses	(358)	(347)
Interest receivable	0	1
Profit/(loss) before taxation	229	(111)
Tax on profit/(loss)	-	-
Retained profit/(loss) for the financial year	229	(111)

Net asset statement as at 31 March	2022 £'000	2021 £'000
Intangible fixed asset	62	-
Current assets	562	531
Current liabilities	(179)	(315)
Net current assets	382	216
Total net assets	445	216

Represented by:		
Share capital	700	700
Profit and loss account	(255)	(484)
Shareholders' funds	445	216

Notes to the Financial Statements

20. Subsidiary undertakings and intra-group transactions (continued)

(i) Accounting Technicians (Services) Limited (ATSL) (continued)

	2022 £'000	2021 £'000
Total costs reported as from trading activities		
Cost of sales	88	208
Other operating expenses	358	347
Total as per Statement of Financial Activities	446	555

Most of ATSL's costs are incurred by AAT and recharged to ATSL a month in arrears, payable in 30 days. During the year, £421,000 of costs were invoiced by AAT to ATSL (2021: £481,000). As at 31 March 2021 ATSL owed £43,000 to AAT (2021: £99,000) as shown within note 13. In the year, AAT received no gift aid payment from ATSL (2021: Nil). There were no other related party transactions between AAT and ATSL.

(ii) Accounting Technicians Enterprises Limited

The company is a wholly owned subsidiary of ATSL and was formed in March 2018. It did not trade in the three years to 31 March 2022. Its net asset statement is shown below:

	2022 £'000	2021 £'000
Net asset statement as at 31 March		
Current assets	-	-
Current liabilities	(154)	(154)
Net current liabilities	(154)	(154)
Total net liabilities	(154)	(154)
Represented by:		
Share capital	-	-
Profit and loss account	(154)	(154)
Shareholders' funds	(154)	(154)

(iii) Accounting Technician (Publications) Limited

The company has been dormant for several years, and the value of its net assets as at 31 March 2022 was £100 (2021: £100).

(iv) AAT Botswana (Proprietary) Limited

The company was formed in December 2017 and has not commenced trading. The value of its net assets as at 31 March 2022 was £7 (2021: £7).

21. Related party transactions

The related party transactions between AAT and its subsidiary undertaking, Accounting Technicians (Services) Limited are shown in note 20(i). There were no related party transactions between AAT and its other subsidiary undertakings.

The remuneration of key management personnel is shown in note 6 and Council and Board expenses incurred are shown in note 8. There were no other related party transactions.

22. Taxation

AAT is a registered charity and is therefore exempt from tax on income and gains falling within Part 11 of the *Corporation Tax Act 2010* or Section 256 of the *Taxation of Chargeable Gains Act 1992* to the extent that these are applied for charitable purposes within AAT's charitable objects. Taxation is only relevant to the subsidiary, Accounting Technicians (Services) Limited, and its wholly owned subsidiary Accounting Technicians Enterprises Limited.

23. Status

The Association of Accounting Technicians is a company limited by guarantee (restricted to £1 per full member) and not having a share capital and is registered as a charity. The Charity's registered office is at 30 Churchill Place, London E14 5RE.

Members of Council and the Executive team

Members of Council who held office during the reporting period 2021–22 as Directors and Trustees

Heather A Hill (President)
Christina Earls (Vice President) (Chair, Management Board)
June Anderson (until 17 September 2021)
Vernon Anderson (until 17 September 2021)
Ernest Badasu
Kevin Bragg (Chair, Audit Board)
Wayne Cook
Jane Cuthbertson
Paul Donno
Georgia Duffee (until 29 October 2021)
Heather Durrell (from 17 September 2021)
David Frederick (Chair, Remuneration Board)
Helen Geatches
Anne Moore
Andrew Murray
Tim Nicholls (until 17 September 2021)
Rita Patel
Mark Powell
Ajay Prabhakar
David Quigg^{*}
Michael Steed (from 17 September 2021)
John Thornton^{*Δ°} (Chair, Nominations and Governance Board)

Members of the Executive team and Company Secretary

Chief Executive: **Sarah Beale**^{Δ°¥} (from 01 November 2021)
Mark Farrar^{Δ°¥} (until 01 July 2021)
Chief Operating Officer: **Jannine Edgar**
Director of Professional Standards and Policy: **Adam Harper**
Director of HR: **Olivia Hill**
Director of Education and Development: **Suzie Webb**
Director of Marketing and Commercial: **Andrew Williamson**[¥] (until 10 December 2021)
Director of Marketing and Commercial: **Claire Bennison** (from 13 June 2022)
Company Secretary: **Karen Marshall**

Honours and awards

Honorary members

1984 **Michael G Lickiss** BSc (Econ) FCA (Knighted 1993) MAAT
1986 **Eric C Sayers** CBE
1986 **Edmund Gibbs** FCCA FCIS ATII
1990 **William Hyde** MA FCMA FCCA JDipMA
1990 **Richard G Wilkes** CBE TD FCA DL
1992 **Fred P Langley** MPhil FCCA
1996 **John Hanson** BA (Com) CPFA
2007 **Robert Thomas** MSc FCA FCCA CTA (Fellow) MAAT
2014 **Jane Scott Paul** OBE
2021 **Mark Farrar**

Δ Indicates Director of Accounting Technicians (Services) Limited, a subsidiary company

° Indicates Director of Accounting Technicians Enterprises Limited, a subsidiary company of Accounting Technicians (Services) Limited

* Indicates Director of Accounting Technician (Publications) Limited, a subsidiary company

¥ Indicates Director of AAT Botswana (Proprietary) Limited, a subsidiary company

Members of Council and the Executive team

Past Presidents

1980–82 **Michael G Lickiss** BSc (Econ) FCA (Knighted 1993) MAAT
1982–83 **Peter T Hobkinson** FCCA CPFA MIMgt MAAT
1983–84 **Peter R Dallow** FCA MAAT
1984–85 **Professor Michael G Harvey** MSc BSc(Econ) FRSA FCGI FCIS FCCA FMAAT
1985–86 **Geoffrey J C Lockhart** FCA FMAAT
1986–87 **Paul Treadaway** CIPFA Hon MCIM FMAAT
1987–88 **Stanley Husband** FCMA MAAT
1988–89 **Kenneth A Sherwood** FCA MAAT
1989–90 **Reg J Carter** BA FCMA MAAT
1990–91 **John N Farquhar** DMS FMAAT
1991–92 **Malcolm S H Bell** CA MAAT
1992–93 **Noel Cannon** MAAT
1993–94 **Edna Jolly** FMAAT
1994–95 **Geoff P Mason** CPFA FMAAT
1995–96 **Ken Sommerville** CA MAAT
1996–97 **John Newman** MA FCA MAAT
1997–98 **Noel Sladen** FMAAT
1998–99 **John Vincent** FCA MCIArb FMAAT
1999–00 **Margaret Rawding** CPFA FMAAT
2000–01 **Andrea White** FCCA MAAT
2001–02 **Professor David Hunt** MSc FCA FCIPD CPFA FFA/ FIPA FIAB FCMA(SL) FCNA(Nig) FRSA FMAAT
2002–03 **Mike Dudding** CPFA MAAT
2003–04 **Jan Bell** CertEd FMAAT
2004–05 **Jess Bond** BSc (Econ) FMAAT
2005–06 **Trevor Salmon** OBE BSc (Hons) FCCA CPFA MAAT
2006–07 **Brian Allen-Palmer** ATT FMAAT
2007–08 **Tim Light** FMAAT
2008–09 **Catherine Steel** FFA FMAAT
2009–10 **Pam Dyson** MA FCCA CPFA FCMI CMgr MIHM FMAAT
2010–11 **Neil Price** BSc CA FMAAT
2011–12 **Dr Hilary Lindsay** MSc MBA FCA FMAAT
2012–13 **Henry Cooper** FMAAT
2013–14 **Mike Evans** CPFA FMAAT
2014–15 **Dr Rachel Banfield** MA CPFA PGCHE FHEA FMAAT
2015–16 **Allan Ramsay** BA CA FMAAT
2016–17 **Mark McBride** BA CPFA MCIPD FMAAT
2017–18 **Nicola Fisher** FIPA FABRP FMAAT
2018–19 **Vernon Anderson** FMAAT
2019–20 **John Thornton** MBA CPFA MAAT
2020–21 **David Frederick** MBA FCCA FCPFA FMAAT AATQB

Past Secretaries^/Chief Executives

1981–87 **Anthony B Sainsbury** VRD JP MA ^
1987–96 **John Hanson** BA (Com) CPFA ^
1997–14 **Jane Scott Paul** OBE
2014–21 **Mark Farrar**

Past Presidents' Award winners

The award recognises a full member who has enhanced the reputation of AAT by individual effort and service.

1994 **Simon Payne** MAAT
1995 **Ruth Bryant** MAAT
1996 **Hannah Tonge** FMAAT
1997 **Pako Kedisitse** MAAT
1998 **Keith Knight** FMAAT
1999 **Malcolm Springall** FMAAT
Suzanne Willard MAAT
2000 **Pamela Dyson** FMAAT
2001 **Ishphak Parkar** FMAAT
2002 **Sue Pryce-Williams** FMAAT
2003 **Michael Steed** MAAT
2004 **Alfred Boddison** FMAAT
2005 **Sheryl Miller** MAAT
2006 **Marie Walker** MAAT
2007 **David Kalaba** FMAAT
2008 **Paul Buzzard** MAAT
2009 **Lesley Sureshkumar** FMAAT
2010 **Jane Towers** FMAAT
2011 **Jennifer Frost** MAAT
2012 **Duncan Majinda** MAAT
2013 **Neil Montgomery** FMAAT
2014 **Martyn Strickett** FMAAT
2015 **Con Kelly** FMAAT
2016 **Jeremy Nottingham** FMAAT
2017 **Caroline Green** MAAT
2018 **Ian Bennett** MAAT
2019 **Dawn Clarkson** FMAAT
2020 **Ali Jaw** FMAAT

Information in this report is accurate at the time of publication.

+44 (0)20 7397 3000

aat@aat.org.uk

aat.org.uk

Association of Accounting Technicians

30 Churchill Place

London

E14 5RE

Registered charity No. 1050724

A company limited by guarantee (No. 1518983)

