

**THE CERTIFIED ACCOUNTANTS
EDUCATIONAL TRUST**

**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

**(REGISTERED CHARITY NUMBER 313219)
(REGISTERED WITH OSCR SC039200)**

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

CONTENTS

| | Page |
|--|-------|
| Report of the Trustee | 2-6 |
| Statement of financial activities | 7 |
| Balance sheet | 8 |
| Cash flow statement | 9 |
| Notes forming part of the financial statements | 10-19 |
| Independent auditor's report | 20-23 |

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31 MARCH 2022

The Trustee submits its annual report and financial statements of the charity (Trust) for the year ended 31 March 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Trust's governing document, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019 (Charities SORP (FRS102)).

Structure, governance and management

The Trust was established by Trust Deed on 13 December 1972. Its principal object is the advancement of education in accountancy, financial management and related subjects. Its other objects are the support of individuals studying such subjects and the awarding of prizes in connection with ACCA examinations. There is also a general power to do any other things conducive to the principal object.

The Trust is registered by the Charity Commission for England and Wales, registration number 313219 and by the Office of the Scottish Charity Regulator, registration number SC039200. Its sole Trustee since establishment has been, and continues to be, The Certified Accountants Educational Trustees Limited, a company wholly owned by the Association of Chartered Certified Accountants (ACCA). New trustees can be elected at the Annual General Meeting if appropriate.

Helen Brand and Mark Millar were directors of the corporate Trustee for the whole of the year. The directors of the corporate Trustee meet once a year to approve the annual financial statements. ACCA's Accountancy Futures Academy identifies and explores issues of major significance for the global accountancy profession and informs ACCA's research and insights by developing a network of high-level contributors to ACCA's work. ACCA's Council Board meets six times a year and has oversight over all of ACCA activities. This includes the review of the provision of Post Professional Qualifications.

ACCA's Chief Executive and Executive Board are responsible for the management of the Trust and they delegate the day-to-day responsibilities of organising post professional qualification courses, publishing of educational content, dealing with research grant applications and the financial administration of the Trust to the appropriate ACCA employees.

The Memorandum and Articles of the Corporate Trustee provide for a minimum of two and a maximum of seven directors to be appointed. In practice two directors are in post at any time and consist of the Chief Executive of ACCA and an officer or immediate Past President of ACCA.

The Trust has developed a Trustee Induction pack for the directors of the Corporate Trustee, which includes a copy of the Trust Deed, the last three years' financial statements, recent minutes and a copy of the Charity Commission guidance 'The Essential Trustee'. Training needs will be identified and where appropriate training will be arranged for those directors.

Objectives and activities

The policies adopted by the Trustee to further the objects of the Trust have been, and continue to be, to promote the ACCA qualification among potential students, to provide ACCA students with access to scholarships and provide opportunities for post professional qualifications via online education. Following a reorganization of activities with the ACCA group, the Trust's main activities during the year related to the provision of post professional qualifications in the way of online certificates. Activities such as educational publications, the digitalised magazine called *Student Accountant*, the award of research grants and the provision of conferences and courses for ACCA members are now carried out by other ACCA group companies. ACCA bears certain central overheads on behalf of the Trust, however the Trust is not significantly dependent on the services of volunteers or on donations in kind.

The Trust's funds comprise unrestricted funds and three restricted funds. The Simpson Scholarship Fund was established by a legacy from Miss M I Simpson in November 1983 for the purpose of establishing and maintaining scholarships, such that the whole of the principal and interest may be expended within a period of 25 years from the date of the bequest following which a decision would be taken to reclassify it as unrestricted if appropriate. Applicants are required to submit an essay detailing how the award of a scholarship would help the student reach their full potential. Submissions are reviewed by a panel appointed by the Trustee and scholarships are awarded to assist payment of subscription fees and exam related costs. The Trustee has considered that it is appropriate to continue to treat the Simpson Scholarship Fund as restricted, as it is a separate charity recognised with OSCR.

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31 MARCH 2022

Objectives and activities (continued)

In August 2013, the Trust received a donation of £100,000 which was used to set up the ACCA Scholarship Fund. The scholarships used to be awarded annually to two final year university undergraduates studying accounting and finance degrees at state-run universities in ACCA's growth markets in Africa and South Asia. By awarding the scholarships to final year undergraduates studying relevant degrees the Trust will be benefiting students who are already showing commitment to a career in accounting and finance through their choice of degree. The scholarships will cover all ACCA fees, tuition fees with an ACCA Approved Learning Provider and all study texts. Applicants have been required to submit an essay explaining how and why they would benefit from receiving the scholarship/what it would mean to receive the scholarship. Representatives from ACCA and the universities have made up the panel to award the scholarships, however activity has been low since Covid and ACCA intends to review the process for awarding the scholarship in the forthcoming year. The Trustee has considered that it is appropriate to treat the ACCA Scholarship Fund as a restricted fund.

The Prize Fund was established by an endowment and provides the funds to award prizes to students as appropriate. The Trustee has considered that it is appropriate to treat the Prize Fund as a restricted fund.

Financial review

A surplus of £214,040 arose in the year (2021: surplus £135,162). During the year, the Trust's expenditure on its charitable objects was £910,827 (2021: £1,021,276). This comprised direct expenditure on charitable activities of £561,265 (2021: £754,893), and support and governance costs of £349,562 (2021: £266,383). The financial statements for the year ended 31 March 2022 are shown on pages 7 to 19. The statement of financial activities on page 7 shows the incoming resources available to the Trust and the extent to which its funds have been spent. This, together with the balance sheet on page 8, shows that the current value of the Trust's restricted and unrestricted funds is £6,259,836 (2021: £6,045,796).

The Trust's total income of £1,118,151 (2021: £1,145,240) was sufficient to meet all direct charitable expenditure as well as the Trust's governance costs. Included in the income figure are donations from ACCA relating to support costs of £1,235 (2021: £1,176). Technical and professional education income of £744,360 (2021: £961,020) is made up of income received from the delivery of online learning.

The Trust held £81,650 (2021: £82,847) in bank balances at 31 March 2022 and, in the Trustee's opinion, both the restricted and unrestricted funds are sufficient to allow the Trust to pursue its charitable activities in the future.

COVID-19 impact

The COVID-19 pandemic has had a significant impact on the operations of all entities globally and in particular on the activities of charities. In common with other charities, the Trust and ACCA itself have had to review their business models and this has led to the continual development of online activities. Fortunately, there has been minimal impact on the Trust's activities during the year. Online activities have become more of the norm and the Trust's main activities of providing online learning has been successful as users see the increasing benefits. The Trust has continued to provide all of the services, the majority of which are carried out online. ACCA has carried out various stress tests on its ability to operate, the results of which were positive. The Trustee continues to monitor the changing operational landscape and impact on assets and related income.

Reserves policy

The Trustee reviews the reserves of the charity annually. The review encompasses the nature of the income and expenditure streams and the expected donations from ACCA and its subsidiaries. The Trustee's policy is, generally, to maintain reserves at a level to be able to fund its activities, and to be able to fund any new strategic initiatives. In the light of the funding provided by ACCA, the Trustee considers that the balance of the unrestricted fund is satisfactory.

Grant making policy

The Trust has established its grant making policy to meet the objects of public benefit by advancing the clarity and ethical basis of both corporate and business reporting. Applicants for grants are selected by the Research Team who will review the applications and look for areas of research which will best promote ACCA's public values and best contribute to ACCA's Research and Insights programme.

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31 MARCH 2022

Risk management

The Trustee has examined the major strategic, business and operational risks which the Trust faces and confirms that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks. The Trust generates income from CPD courses which are becoming more and more freely available online and there is a risk of lower future revenues from this source if participants decide to pursue CPD activities via a different route.

Achievements and performance

During the year, the Trust provided 9 different certificates (2021: 8) to ACCA members and other customers. More and more people turned to online education during the Covid-19 pandemic and the Trust has continued to see the demand from customers. However as lockdowns are no longer in place, there has been a gradual return to normality and there has been a fall in revenue as customers revert back to face-to-face training. Nevertheless the Trust is satisfied with the results.

The Trust also awarded 21 (2021: 24) Simpson Scholarships to ACCA students which amounted to £9,548 (2021: £7,367) and awarded the ACCA Scholarships to 1 ACCA students (2021:2) which amounted to £129 (2021: £475).

Public benefit

In setting the objectives and planning the activities the Trustee has considered the Charity Commission's general guidance on public benefit. The Trust's principal charitable purpose is the advancement of education in accountancy, financial management and related subjects. The Trust provides educational courses which can be attended by any potential beneficiaries. There is no requirement for those beneficiaries to be members of ACCA. The Trust also provides scholarships to ACCA students whereby their fees and subscriptions are funded from the Scholarship funds. The provision of the education allows the beneficiary to further advance their career. In addition, ACCA's contributions to global economic, financial and regulatory policy-making are founded upon a strong belief in the reality of the "public interest" and the need to advance the transparency and ethical basis of both business and corporate reporting. The Trust's educational courses assist the beneficiary in understanding how they can contribute to this. The Trust therefore meets the public benefit requirement by providing the means to advance education in accountancy and related subjects for beneficiaries throughout the UK, including Scotland, and those beneficiaries do not need to be ACCA members or students.

Plans for the future

The aim of the Trust is to continue to support ACCA members and students throughout their careers in accounting, business and finance. It plans to continue to develop more certificate offerings for its members so that they can continue their professional development and create more job opportunities for themselves.

ACCA's research and insights explores issues that matter in accountancy and the wider world. Through that research, the Trust and ACCA engage the profession, business, policy makers, standard setters, educators and the public to analyse current issues, challenge thinking, project future scenarios and provide practical insights. The ongoing research and insights cover a wide range of subjects, including finance transformation, sustainability, corporate reporting, risk and reward, audit and access to finance. The Trust will continue to promote the Accountancy Futures work as this forum contributes to ACCA's research and insights work with powerful visions of the future. It provides a platform to look forward to; to tune into the emerging trends and discussions in the global business and policy spheres and the latest reforms facing the world of finance.

The Trust will continue to embrace digital technology and provide the necessary media and forums to allow ACCA to engage more effectively with members and students. The Trust also looks forward to awarding further scholarships to ACCA students under both the ACCA Scholarship and Simpson Scholarship Funds in the forthcoming year.

Fundraising

The Trust does not actively fundraise and has not employed any third party to fundraise on its behalf. As such the Trust is not a member of the Fundraising Regulator.

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31 MARCH 2022

Reference and administrative information

Corporate Trustee

The Certified Accountants Educational Trustees Limited

Directors of Corporate Trustee

Helen Brand

Raymond Jack (appointed 1 April 2022)

Mark Millar (resigned 1 April 2022)

Principal Office

110 Queen Street, Glasgow, G1 3BX

Independent Auditor

Grant Thornton UK LLP, 17th Floor, 103 Colmore Row, Birmingham, B3 3AG

Principal Banker

Barclays Bank plc, Aurora, 1st Floor, 120 Bothwell Street, Glasgow, G2 7JT

Key management personnel remuneration

The Trustee considers that the Chief Executive of ACCA and that organisation's Executive Board as comprising the key management personnel of the charity in charge of directing and controlling the charity on a day-to-day basis. Those personnel are remunerated by ACCA and there are no direct salary costs incurred by the Trust. The Trustee gives of its time freely and no trustee remuneration was paid in the year. There are no trustee expenses.

Trustee's responsibilities in relation to the financial statements

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations.

The Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, and the regulations made thereunder, requires the Trustee to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of the resources, including the income and expenditure, of the Trust for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles set out in the Charities SORP (FRS 102);
- 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 Trust will continue in business.

The Trustee is responsible for keeping proper accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable it to ensure that the financial statements comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charity (Accounts and Reports) Regulations 2008, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed. The Trustee is also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31 MARCH 2022

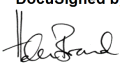
Statement as to disclosure to our auditors

Insofar as the Trustee is aware at the time of approving the Trustee's annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the Trust's auditor is unaware, and
- the Trustee, having made relevant enquiries, has taken all steps that it is obliged to take as a Trustee in order to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.

Grant Thornton UK LLP have advised that they are stepping down from office. The Trust thanks them for their service.

By order of the Trustee

DocuSigned by:

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Helen J Brand
Director of The Certified Accountants Educational Trustees Limited
10 January 2024

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2022

| | Unrestricted funds £ | Restricted funds £ | Total funds 2022 £ | Total funds 2021 £ |
|--|----------------------------|--------------------------|--------------------------|--------------------------|
| Notes | | | | |
| Income | | | | |
| <i>Donations</i> | | | | |
| 2 Donations from ACCA | — | 1,235 | 1,235 | 1,176 |
| Other donations | — | 1,505 | 1,505 | — |
| | <u>—</u> | <u>2,740</u> | <u>2,740</u> | <u>1,176</u> |
| Total donations | — | 2,740 | 2,740 | 1,176 |
| <i>Income from charitable activities:</i> | | | | |
| Technical and professional education | 744,360 | — | 744,360 | 961,020 |
| Career promotion, student activities and advertising | 39,600 | — | 39,600 | 23,813 |
| Qualifications development | 153,454 | — | 153,454 | 157,667 |
| <i>Other income</i> | | | | |
| Income from Investments | — | 1,725 | 1,725 | 1,564 |
| Inter-group interest | 176,272 | — | 176,272 | — |
| | <u>1,113,686</u> | <u>4,465</u> | <u>1,118,151</u> | <u>1,145,240</u> |
| Total income | 1,113,686 | 4,465 | 1,118,151 | 1,145,240 |
| Expenditure | | | | |
| 3 <i>Expenditure on charitable activities:</i> | | | | |
| Education | 853,994 | — | 853,994 | 867,312 |
| Research | 8,518 | — | 8,518 | 109,641 |
| Careers promotion and student activities | 23,403 | 10,912 | 34,315 | 29,880 |
| Shared services | 14,000 | — | 14,000 | 14,443 |
| | <u>899,915</u> | <u>10,912</u> | <u>910,827</u> | <u>1,021,276</u> |
| Total expenditure | 899,915 | 10,912 | 910,827 | 1,021,276 |
| Net gains on investments | — | 6,716 | 6,716 | 11,198 |
| | <u>—</u> | <u>6,716</u> | <u>6,716</u> | <u>11,198</u> |
| Net income and net movement in funds | 213,771 | 269 | 214,040 | 135,162 |
| Reconciliation of funds | | | | |
| Total funds at 1 April | 5,828,737 | 217,059 | 6,045,796 | 5,910,634 |
| | <u>5,828,737</u> | <u>217,059</u> | <u>6,045,796</u> | <u>5,910,634</u> |
| Total funds at 31 March | <u>6,042,508</u> | <u>217,328</u> | <u>6,259,836</u> | <u>6,045,796</u> |

All amounts relate to continuing activities.


The accompanying notes to the financial statements, on pages 10 to 19, are an integral part of this statement.

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

BALANCE SHEET AS AT 31 MARCH 2022

| | | 31 March 2022 £ | 31 March 2021 £ |
|-------|---|-----------------------|-----------------------|
| Notes | | | |
| | Fixed assets | | |
| 8 | Tangible assets | — | — |
| 9 | Investments | 51,843 | 45,127 |
| | | 51,843 | 45,127 |
| | Current assets | | |
| 10 | Debtors | 6,233,649 | 6,086,183 |
| | Cash at bank | 81,650 | 82,847 |
| | | 6,315,299 | 6,169,030 |
| 11 | Creditors: amounts falling due within one year | 107,306 | 168,361 |
| | Net current assets | 6,207,993 | 6,000,669 |
| | Net assets | 6,259,836 | 6,045,796 |
| | Funds | | |
| 12 | Unrestricted | 6,042,508 | 5,828,737 |
| 13 | Restricted | 217,328 | 217,059 |
| | | 6,259,836 | 6,045,796 |

The financial statements were approved and authorised for issue by the Trustee on 10 January 2024 and were signed on its behalf by:

DocuSigned by:

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Helen J Brand
 Director of The Certified Accountants Educational Trustees Limited

The accompanying notes to the financial statements, on pages 10 to 19, are an integral part of this statement.

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

| | 31 March 2022 £ | 31 March 2021 £ |
|--|-----------------------|-----------------------|
| Notes | | |
| 14 Net cash used in operating activities | (2,922) | (12,518) |
| | | |
| Cash flows from investing activities: | | |
| Interest and dividends | 1,725 | 1,564 |
| Net cash provided by investing activities | 1,725 | 1,564 |
| | | |
| Change in cash and cash equivalents in the year | (1,197) | (10,954) |
| Cash and cash equivalents brought forward | 82,847 | 93,801 |
| Cash and cash equivalents carried forward | 81,650 | 82,847 |

The accompanying notes to the financial statements, on pages 10 to 19, are an integral part of this statement.

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

The following accounting policies are considered material in relation to the Trust's financial statements:

(a) *Basis of preparation*

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard 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 Charities Act 2011.

The Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

(b) *Critical accounting estimates and judgements*

The preparation of financial statements, in conformity with generally accepted accounting principles, requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Although these estimates are based on the Trustee's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities relate to the recognition of income. The Trustee is comfortable that management has the appropriate processes in place to ensure that income is recognised in the correct period.

(c) *Preparation of the accounts on a going concern basis*

The Trustee considers that there are no material uncertainties about the Trust's ability to continue as a going concern. In arriving at this conclusion the Trustee considered any ongoing impact of Covid-19 on the Trust and the letter of financial support it received from its ultimate parent, the Association of Chartered Certified Accountants (ACCA).

ACCA and the Trust's revenue streams were significantly impacted by Covid-19, however as the world has recovered, revenue expectations are almost back to pre-Covid levels. ACCA has stress tested various scenarios on their ability to operate and have approved the use of new technologies and a new 5-year budget. Under the various scenarios identified, ACCA would still be able to operate and provide any support required to the Trust for a period of 12 months after the signing of the financial statements.

The Trust has a debtor of £6.2 million (2021: £6.0 million) due from its parent company, ACCA, at 31 March 2022. ACCA has confirmed to the Trustee that it would settle this debtor on demand should it be requested to do so and has the resources to enable it to repay.

At the time of approving the financial statements the Trustee has a reasonable expectation that the Trust will be able to continue in operational existence for the foreseeable future and that there are no material uncertainties about its ability to continue as a going concern.

(d) *Expenditure recognition*

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Research grants are payments made to third parties in furtherance of the charitable objectives of the Trust. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustee has agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the Trust. Provisions for grants are made when the intention to make a grant has been communicated to the recipient.

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (continued)

(e) *Income recognition*

All income is recognised once the Trust has entitlement to the resources, it is probable that the resources will be recovered and the monetary value of incoming resources can be measured with sufficient reliability. Donations are recognised when receivable.

(f) *Foreign currencies*

Transactions in foreign currencies are translated into sterling at the exchange rate in operation on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate in operation at the balance sheet date. All revaluation differences and realised foreign exchange differences are taken to the statement of financial activities.

(g) *Charitable activities*

Costs of charitable activities include the provision of educational courses to ACCA members, promotion of the ACCA qualifications, promotion of accounting research, advertising in the digital publication Student Accountant Direct and an apportionment of support and governance costs as shown in notes 3 and 4.

(h) *Allocation of support and governance costs*

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs relating to statutory audit and professional fees together with an apportionment of overhead and support costs. Support costs relate to staff costs incurred by ACCA in pursuance of the Trust's charitable activities. The allocation of support and governance costs is analysed in notes 4 and 5.

(i) *Operating leases*

Rentals payable under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

(j) *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at depreciated cost. Depreciation is provided on all tangible fixed assets, at rates calculated to write-off the cost of each asset on a straight-line basis over their estimated useful lives as follows:

- leasehold improvements - over the period of the lease;
- computer systems and equipment - over 4 years;
- plant and machinery - over 4 to 7 years.

(k) *Fixed asset investments*

Fixed asset investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

(l) *Realised and unrealised gains and losses*

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase price if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year-end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies (continued)

(m) *Cash at bank and in hand*

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(n) *Funds: Unrestricted and restricted funds*

The unrestricted general funds represent the amounts retained to ensure the continuing charitable activities of the Fund.

The restricted funds represent funds subject to specific restrictions imposed by the donors. The purpose of the unrestricted funds and use of the restricted funds are set out in the report of the Trustee.

(o) *Grant-making*

Grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustee has agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the Trust.

(p) *Financial instruments*

Financial instruments recognised in the balance sheet include cash and cash equivalents, available-for-sale investments, receivables and prepayments and trade and other payables. Financial instruments are initially valued at fair value. Financial assets are derecognised when the rights to receive cash flows from the asset have expired. Financial liabilities are derecognised when the obligation under the liability is discharged or cancelled or expires.

The Trust assesses at each balance sheet date whether a financial asset is impaired. Where a financial asset shows an indicator of impairment, it is tested to assess whether it should be specifically impaired. The recoverable amounts of financial assets are calculated by discounting the estimated future cash flows using the original effective interest rate. Where the recoverable amount is less than the carrying value, an impairment loss is recognised. Subsequent to recognising that impairment, the impairment may be recovered if an event occurred that reverses the impairment indicator.

Subsequent to initial recognition, financial instruments are measured as set out below.

Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand or bank overdraft and short-term investments and are subject to insignificant risk of changes in value.

Trade and other payables

Short-term creditors are measured at the transaction price and other financial liabilities are measured initially at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses

All gains or losses on financial assets and liabilities are recognised in the statement of financial activities, including unrealised and realised gains or losses on investments.

Inter-group debtors

The inter-group debtor is stated at its fair value. The balance between ACCA and CAET is considered to be a trading debtor as transactions occur throughout the year. There are no repayment terms but the balance would be repaid on demand if requested.

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

| | 31 March 2022 £ | 31 March 2021 £ |
|--|-----------------------|-----------------------|
| 2 Analysis of donations from ACCA | | |
| Support cost donations | <u>1,235</u> | <u>1,176</u> |

3 Analysis of charitable expenditure

The charity undertakes its charitable activities through the provision of educational courses to ACCA members, promotion of the ACCA qualifications, promotion of accounting research, including grant making, and from the provision of shared services to allow it and ACCA to operate to pursue ACCA's vision in becoming the number one professional accountancy body in providing accountants which the world needs. It should be noted that during the year the provision of the research grant making was transferred to ACCA.

Year ended 31 March 2022

| | Direct costs £ | Support and governance costs £ | 31 March 2022 £ |
|--|----------------------|---|-----------------------|
| Education – Publications | (7,003) | 13,373 | 6,370 |
| Education – Educational courses and certificates | 560,103 | 287,521 | 847,624 |
| Research | (1,512) | 10,030 | 8,518 |
| Careers promotion and student activities | 9,677 | 24,638 | 34,315 |
| Shared services | — | 14,000 | 14,000 |
| | <u>561,265</u> | <u>349,562</u> | <u>910,827</u> |

Year ended 31 March 2021

| | Direct costs £ | Support and governance costs £ | 31 March 2021 £ |
|--|----------------------|---|-----------------------|
| Education – Publications | 7,001 | 51,072 | 58,073 |
| Education – Educational courses and certificates | 701,235 | 108,004 | 809,239 |
| Research | 36,211 | 73,430 | 109,641 |
| Careers promotion and student activities | 10,446 | 19,434 | 29,880 |
| Shared services | — | 14,443 | 14,443 |
| | <u>754,893</u> | <u>266,383</u> | <u>1,021,276</u> |

Analysis of grants

| | 31 March 2022 £ | 31 March 2021 £ |
|-------------------------------------|-----------------------|-----------------------|
| <i>Research and Insights grants</i> | | |
| Grants to institutions | <u>—</u> | <u>34,699</u> |

The support costs relating to grant making activities relate to employee costs.

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

4 Allocation of governance and support costs

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below.

| Cost type | Basis of apportionment | Other support costs £ | Governance related £ | 31 March 2022 £ |
|--------------|------------------------|--------------------------|-------------------------|--------------------|
| Staff costs | Staff time | 326,562 | 9,000 | 335,562 |
| Office costs | Work done | — | 14,000 | 14,000 |
| | | <u>326,562</u> | <u>23,000</u> | <u>349,562</u> |

| Cost type | Basis of apportionment | Other support costs £ | Governance related £ | 31 March 2021 £ |
|--------------|------------------------|--------------------------|-------------------------|--------------------|
| Staff costs | Staff time | 244,940 | 7,000 | 251,940 |
| Office costs | Work done | — | 14,443 | 14,443 |
| | | <u>244,940</u> | <u>21,443</u> | <u>266,383</u> |

Allocation on staff time is based on the staff costs accounted for by ACCA with regards to the time spent within each area of charitable activity.

5 Analysis of governance costs

| | 31 March 2022 £ | 31 March 2021 £ |
|------------------------|--------------------|--------------------|
| Staff costs | 9,000 | 15,000 |
| Auditors' remuneration | 14,000 | 14,443 |
| | <u>23,000</u> | <u>29,443</u> |

The Trustee has decided to meet all governance costs from unrestricted funds and so no allocation or charge is made to restricted funds for any governance related costs.

6 Salaries and related costs

| | 31 March 2022 £ | 31 March 2021 £ |
|---|--------------------|--------------------|
| The costs of employing support staff during the year were as follows: | | |
| Management charge | 334,327 | 250,764 |
| | <u>334,327</u> | <u>250,764</u> |

The Trust has no employees. The management charge represents management's best estimate of the cost of ACCA staff time on CAET activities during the year. No employees received remuneration in excess of £60,000.

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

7 Statement of Financial Activities for the year ended 31 March 2021

| | Unrestricted funds £ | Restricted funds £ | Total funds 2021 £ |
|--|----------------------------|--------------------------|--------------------------|
| Income | | | |
| <i>Donations</i> | | | |
| Donations from ACCA | — | 1,176 | 1,176 |
| Gift Aid donations from ACCA and subsidiaries | — | — | — |
| | <hr/> | <hr/> | <hr/> |
| Total donations | — | 1,176 | 1,176 |
| <i>Income from charitable activities:</i> | | | |
| Technical and professional education | 961,020 | — | 961,020 |
| Career promotion, student activities and advertising | 23,813 | — | 23,813 |
| Qualifications development | 157,667 | — | 157,667 |
| <i>Other income</i> | | | |
| Income from Investments | — | 1,564 | 1,564 |
| | <hr/> | <hr/> | <hr/> |
| Total income | 1,142,500 | 2,740 | 1,145,240 |
| | <hr/> | <hr/> | <hr/> |
| Expenditure | | | |
| <i>Expenditure on charitable activities:</i> | | | |
| Education | 867,312 | — | 867,312 |
| Research | 109,641 | — | 109,641 |
| Careers promotion and student activities | 20,862 | 9,018 | 29,880 |
| Shared services | 14,443 | — | 14,443 |
| | <hr/> | <hr/> | <hr/> |
| Total expenditure | 1,012,258 | 9,018 | 1,021,276 |
| | <hr/> | <hr/> | <hr/> |
| Net gains on investments | — | 11,198 | 11,198 |
| | <hr/> | <hr/> | <hr/> |
| Net income and net movement in funds | 130,242 | 4,920 | 135,162 |
| | <hr/> | <hr/> | <hr/> |
| Reconciliation of funds | | | |
| Total funds at 1 April 2020 | 5,698,495 | 212,139 | 5,910,634 |
| | <hr/> | <hr/> | <hr/> |
| Total funds at 31 March 2021 | 5,828,737 | 217,059 | 6,045,796 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

8 Tangible assets

| | Computer systems and equipment £ | Total £ |
|-------------------------------------|---|--------------------------------|
| <i>Cost</i> | | |
| At 1 April 2020 and 1 April 2021 | 107,877 | 107,877 |
| Disposals | (107,877) | (107,877) |
| | <u> </u> | <u> </u> |
| At 31 March 2022 | <u> </u> | <u> </u> |
| <i>Accumulated depreciation</i> | | |
| At 1 April 2020 and 1 April 2021 | 107,877 | 107,877 |
| Eliminated on disposal | (107,877) | (107,877) |
| | <u> </u> | <u> </u> |
| At 31 March 2022 | <u> </u> | <u> </u> |
| <i>Net book value</i> | | |
| At 31 March 2022 | <u> </u> | <u> </u> |
| At 31 March 2021 | <u> </u> | <u> </u> |
| | <u> </u> | <u> </u> |
| | 31 March 2022 £ | 31 March 2021 £ |

9 Investments

Prize Fund investments

| | | |
|--|-------------------|-------------------|
| Cost or value at 1 April | 45,127 | 33,929 |
| Net unrealised investment gains | 6,716 | 11,198 |
| | <u> </u> | <u> </u> |
| Market value at 31 March | 51,843 | 45,127 |
| | <u> </u> | <u> </u> |
| Historical cost at 31 March | 3,157 | 3,157 |
| | <u> </u> | <u> </u> |
| Investments at market value | | |
| Temple Bar Investment Trust PLC | 34,680 | 34,260 |
| Royal Dutch Shell B shares | 17,163 | 10,867 |
| | <u> </u> | <u> </u> |
| Total | 51,843 | 45,127 |
| | <u> </u> | <u> </u> |

10 Debtors

| | | |
|--------------------------------|-------------------|-------------------|
| Trade and other debtors | 46,162 | 59,371 |
| Amounts due from ACCA | 6,187,287 | 6,026,812 |
| Prepayments and accrued income | 200 | — |
| | <u> </u> | <u> </u> |
| | 6,233,649 | 6,086,183 |
| | <u> </u> | <u> </u> |

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

| | 31 March 2022 £ | 31 March 2021 £ |
|--|-----------------------|-----------------------|
| 11 Creditors: amounts falling due within one year | | |
| Trade and other creditors | 9,923 | 17,486 |
| Accruals and deferred income | 93,319 | 147,980 |
| Other taxation and social security costs | 4,064 | 2,895 |
| | <u>107,306</u> | <u>168,361</u> |

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The normal payment terms are within 30 days. Payment terms may exceed 30 days where the contract provides for extended terms.

12 Analysis of net assets between funds

| Year ended 31 March 2022 | Unrestricted funds £ | Restricted funds £ | Total 2022 £ |
|------------------------------------|----------------------------|--------------------------|--------------------|
| Investments | — | 51,843 | 51,843 |
| Cash at bank | 14,113 | 67,537 | 81,650 |
| Current assets | 6,135,701 | 97,948 | 6,233,649 |
| Current liabilities and provisions | (107,306) | — | (107,306) |
| | <u>6,042,508</u> | <u>217,328</u> | <u>6,259,836</u> |
| Year ended 31 March 2021 | Unrestricted funds £ | Restricted funds £ | Total 2021 £ |
| Investments | — | 45,127 | 45,127 |
| Cash at bank | 17,035 | 65,812 | 82,847 |
| Current assets | 5,980,063 | 106,120 | 6,086,183 |
| Current liabilities and provisions | (168,361) | — | (168,361) |
| | <u>5,828,737</u> | <u>217,059</u> | <u>6,045,796</u> |

The unrestricted funds represent the amounts retained to ensure the continuing charitable activities of the Trust. The restricted funds represent the amounts retained for the Simpson Scholarship Fund, the ACCA Scholarship Fund and the Prize Fund (see note 13).

13 Movement in restricted funds

| | Simpson Scholarship Fund £ | ACCA Scholarship Fund £ | Prize Fund £ | Total £ |
|-----------------------------|-------------------------------------|----------------------------------|--------------------|----------------|
| At 1 April 2021 | 51,840 | 60,345 | 104,874 | 217,059 |
| Incoming resources | 2 | 1,505 | 1,723 | 3,230 |
| Support costs donated | 1,235 | — | — | 1,235 |
| Resources expended | (10,783) | (129) | — | (10,912) |
| Unrealised investment gains | — | — | 6,716 | 6,716 |
| At 31 March 2022 | <u>42,294</u> | <u>61,721</u> | <u>113,313</u> | <u>217,328</u> |

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

13 Movement in restricted funds (continued)

| | Simpson Scholarship Fund £ | ACCA Scholarship Fund £ | Prize Fund £ | Total £ |
|-----------------------------|-------------------------------------|----------------------------------|--------------------|----------------|
| At 1 April 2020 | 59,201 | 60,820 | 92,118 | 212,139 |
| Incoming resources | 6 | — | 1,558 | 1,564 |
| Support costs donated | 1,176 | — | — | 1,176 |
| Resources expended | (8,543) | (475) | — | (9,018) |
| Unrealised investment gains | — | — | 11,198 | 11,198 |
| | <u>51,840</u> | <u>60,345</u> | <u>104,874</u> | <u>217,059</u> |
| At 31 March 2021 | <u>51,840</u> | <u>60,345</u> | <u>104,874</u> | <u>217,059</u> |

14 Reconciliation of net movement in funds to net cash flows from operating activities

| | 31 March 2022 £ | 31 March 2021 £ |
|---|-----------------------|-----------------------|
| Net incoming resources | 214,040 | 135,162 |
| Gains on investments | (6,716) | (11,198) |
| Dividends and interest from investments | (1,725) | (1,564) |
| Increase in debtors | (147,466) | (162,063) |
| (Decrease)/increase in creditors | (61,055) | 27,145 |
| | <u>(2,922)</u> | <u>(12,518)</u> |
| Net cash used in operating activities | <u>(2,922)</u> | <u>(12,518)</u> |

15 Related party transactions

The Trust exists to promote the ACCA qualification among potential students and to provide ACCA students with publications, courses and careers information. In addition, the Trust provides conferences and courses for ACCA members and others, produces technical publications and promotes accounting research. ACCA also collects certain income and pays certain expenditure on behalf of the Trust and there may therefore, at any time, be a balance outstanding between the Trust and ACCA (see note 10).

Interest of £176,272 (2021: £nil) on the inter-group debt due from ACCA was charged to ACCA during the year.

The costs of ACCA staff engaged in Trust activities is shown under Education, Research and Careers Promotion and student activities costs. The costs have been billed to the Trust by way of a management charge of £334,327 (2021: £250,764).

| | 31 March 2022 £ | 31 March 2021 £ |
|--|-----------------------|-----------------------|
| Income | | |
| Association of Chartered Certified Accountants | <u>176,272</u> | <u>—</u> |
| Purchases | | |
| Association of Chartered Certified Accountants | <u>334,327</u> | <u>250,764</u> |

THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

16 Reconciliation of net debt

| | 1 April 2021 | Cashflows | 31 March 2022 |
|-------|-----------------|----------------|------------------|
| | £ | £ | £ |
| Cash | 82,847 | (1,197) | 81,650 |
| Total | <u>82,847</u> | <u>(1,197)</u> | <u>81,650</u> |

17 Trustee remuneration

The Trustee did not receive any remuneration or expenses during the year (2021: £nil).

18 Ultimate parent

ACCA is the ultimate parent of the Corporate Trustee and the Trust. ACCA is incorporated under Royal Charter with registration number RC000732. The Trustee's Annual Report and Financial Statements of the Trust for the year ended 31 March 2022 are available from ACCA's office at The Adelphi, 1-11 John Adam Street, London, WC2N 6AU.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST

Opinion

We have audited the financial statements of The Certified Accountants Educational Trust (the 'charity') for the year ended 31 March 2022, which comprise the statement of financial activities, the balance sheet, the statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022 and of its 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 Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed as auditor under sections 151 of the Charities Act 2011 and 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts. 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 charity 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

We are responsible for concluding on the appropriateness of the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the charity to cease to continue as a going concern.

In our evaluation of the Trustee's conclusions, we considered the inherent risks associated with the charity's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Trustee and the related disclosures and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

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 charity'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.

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Trustee with respect to going concern are described in the 'Responsibilities of Trustee for the financial statements' section of this report.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST (continued)

Other information

The Trustee is responsible for the other information. The other information comprises the information included in the Trustee's Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient and proper accounting records; or
- the charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustee

As explained more fully in the Trustee's Responsibilities Statement set out on page 5, the Trustee is 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 Trustee determines 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 Trustee is responsible for assessing the charity'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 Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity through our general not for profit and charity sector experience, discussions with management and the internal legal counsel. We determined that the following laws and regulations were most significant: Charities SORP 2019, FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', Charities Act 2011, Charities and Trustee Investment (Scotland) Act 2005, Charities Accounts (Scotland) Act 2006 (as amended), Companies Act 2006, Data Protection Act 2018 and The Charities (Protection and Social Investment) Act 2016.
- We enquired of management concerning the charity's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risk of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management whether they were aware of any instances of non-compliance with laws and regulations and corroborated the results of our enquiries to relevant supporting documentation.
- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - challenging assumptions and judgements made by management in its accounting estimates;
 - identifying and testing journal entries, in particular manual journal entries;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the client operates; and
 - understanding of the legal and regulatory requirements specific to the entity including, the provisions of the applicable legislation, the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules and the applicable statutory provision.
- The team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition, improper use of charitable funds and serious incident reports submitted to the Charities Commission in the period; and

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE CERTIFIED ACCOUNTANTS EDUCATIONAL TRUST (continued)

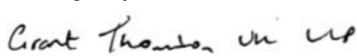
Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the charity's operations, including the nature of its revenue sources to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risk of material misstatement; and
 - the charity's control environment, including:
 - management's knowledge of relevant laws and regulations and how the charity is complying with those laws and regulation;
 - the adequacy of procedures for authorisation of transactions; and
 - procedures to ensure that possible breaches of law and regulations are appropriately resolved.

Use of our report

This report is made solely to the charity's Trustee, as a body, in accordance with Section 154 of the Charities Act 2011 and Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charity's Trustee 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 charity and its Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:


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Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

Date: 11 January 2024 | 17:34 GMT

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006