

**CERTIFIED ACCOUNTANTS
INVESTMENT COMPANY LIMITED**

**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2016**

(COMPANY NUMBER 02240534)

SATURDAY



A5E9SR4W

A15

27/08/2016

#197

COMPANIES HOUSE

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

Directors

Brian Michael McEnery
Certified Nominees Limited

Secretary

St James Secretaries Ltd
1 Georges Square
Bath Street
Bristol
BS1 6BA

Registered Office

The Adelphi
1-11 John Adam Street
London
WC2N 6AU

Independent Auditor

Grant Thornton UK LLP
Level 8
110 Queen Street
Glasgow
G1 3BX

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

CONTENTS

	Page
Report of the directors	3-4
Statement of comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9-21
Independent auditor's report	22

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and financial statements for the year ended 31 March 2016.

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The company is an investment holding company. The directors are advised by professional fund managers who administer the investment portfolio. The company sold the freehold property at 10-11 Lincoln's Inn Fields during the year.

Charitable donations

During the year, the company made a donation of £90,000 to The Certified Accountants Educational Trust, a charity whose corporate trustee is owned by the company's ultimate parent.

Directors

The directors of the company during the year were:

Alexandra Chin (resigned 17 September 2015)
Brian McEnery (appointed 17 September 2015)
Certified Nominees Limited

No director has any interest in the shares of the company.

Auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

Grant Thornton UK LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed in accordance with section 485 of the Companies Act at the annual general meeting.

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2016 (continued)

The above report has been prepared in accordance with the provisions of the small companies regime of the Companies Act 2006.

BY ORDER OF THE BOARD



H J Brand
Director of Certified Nominees Limited
15 July 2016

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

		31 Mar 2016 £	31 Mar 2015 £
Notes			
5	Revenue	1,892,830	1,724,539
	Administrative expenses	311,035	592,294
	Other operating expenses	(31,692)	(2,643)
		279,343	589,651
6	Profit from operations	1,613,487	1,134,888
7	Finance income	119	—
	Gain on disposal of property	3,834,528	—
	Profit before tax	5,448,134	1,134,888
9	Income tax expense	868,247	1,790
	Profit for the year	4,579,887	1,133,098
	Other comprehensive income		
19	Available-for-sale investments	(489,452)	4,458,808
19	Investment property	—	1,246,080
	Total other comprehensive income for the year, net of tax	(489,452)	5,704,888
	Total comprehensive income for the year	4,090,435	6,837,986

All amounts relate to continuing activities.

The accompanying notes to the financial statements, on pages 9 to 21, are an integral part of this statement.

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

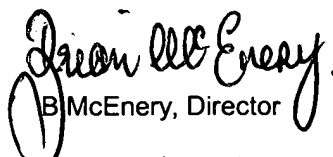
BALANCE SHEET AS AT 31 MARCH 2016

COMPANY NUMBER 02240534

		31 Mar 2016 £	31 Mar 2015 £
Notes			
	ASSETS		
	Non-current assets		
10	Plant and equipment	—	7,508
11	Investment property	—	7,750,000
12	Investments in associated undertakings	2	2
13	Available-for-sale investments	82,726,795	82,069,013
		82,726,797	89,826,523
	Current assets		
14	Receivables and prepayments	—	360
15	Cash and cash equivalents	13,884,340	32,263
		13,884,340	32,623
	Total assets	96,611,137	89,859,146
	EQUITY AND LIABILITIES		
	Capital and reserves		
18	Ordinary shares	100	100
19	Fair value reserves	16,685,026	20,809,782
19	Retained earnings	19,488,128	11,272,937
	Total shareholders' equity	36,173,254	32,082,819
	Non-current liabilities		
16	Deferred tax liabilities	2,141,000	2,673,000
	Current liabilities		
17	Trade and other payables	57,428,636	55,101,537
	Current tax liabilities	868,247	1,790
		58,296,883	55,103,327
	Total liabilities	60,437,883	57,776,327
	Total equity and liabilities	96,611,137	89,859,146

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Directors on 15 July 2016 and signed on its behalf by:


B McEnery, Director

The accompanying notes to the financial statements, on pages 9 to 21, are an integral part of this statement.

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Share capital £	Retained earnings £	Fair value reserves £	Total £
Balance at 1 April 2014	100	10,158,394	15,086,339	25,244,833
Comprehensive income				
Profit for the financial year	—	1,133,098	—	1,133,098
Other comprehensive income				
Fair value gains on revaluation				
- available-for-sale investments	—	—	5,349,808	5,349,808
- investment property	—	—	1,372,080	1,372,080
Tax on fair value gains on revaluation				
- available-for-sale investments	—	—	(891,000)	(891,000)
- investment property	—	—	(126,000)	(126,000)
Total other comprehensive income	—	—	5,704,888	5,704,888
Total comprehensive income	—	1,133,098	5,704,888	6,837,986
Historic cost depreciation transfer	—	(18,555)	18,555	—
Balance at 31 March 2015	100	11,272,937	20,809,782	32,082,819
Comprehensive income				
Profit for the financial year	—	4,579,887	—	4,579,887
Other comprehensive income				
Fair value losses on revaluation				
- available-for-sale investments	—	—	(895,452)	(895,452)
- investment property	—	—	—	—
Tax on fair value losses on revaluation				
- available-for-sale investments	—	—	406,000	406,000
- investment property	—	—	—	—
Total other comprehensive income	—	—	(489,452)	(489,452)
Total comprehensive income	—	4,579,887	(489,452)	4,090,435
Transfer to reserves				
Realised gain disposal				
- investment property	—	3,761,304	(3,761,304)	—
Tax on realised gain	—	(126,000)	126,000	—
Balance at 31 March 2016	100	19,488,128	16,685,026	36,173,254

The analysis of fair value reserves is presented in note 19.

The accompanying notes to the financial statements, on pages 9 to 21, are an integral part of this statement.

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

		31 Mar 2016 £	31 Mar 2015 £
Notes			
Cash flows from continuing activities			
Profit before tax		5,448,134	1,134,888
Adjustments for:			
Interest received		(119)	—
Dividends received		(1,471,909)	(1,163,311)
Depreciation on property, plant and equipment		45,536	40,248
Realised gain on disposal of property		(3,964,028)	—
Changes in working capital:			
Receivables and prepayments		360	(360)
Trade and other payables		2,327,099	25,067,274
		<hr/>	<hr/>
Cash generated from operations		2,385,073	25,078,739
Tax paid		(1,790)	(4,348)
		<hr/>	<hr/>
Net cash generated from operating activities		2,383,283	25,074,391
Cash flows from investing activities			
Acquisition of property, plant and equipment	—		(13,205)
Acquisition of available-for-sale investments	(1,553,234)		(26,212,051)
Disposal proceeds of property, plant and equipment	11,550,000		—
Dividends received	1,471,909		1,163,311
Interest received	119		—
	<hr/>		<hr/>
Net cash generated from/(absorbed by) investing activities		11,468,794	(25,061,945)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		13,852,077	12,446
Cash and cash equivalents at beginning of year		32,263	19,817
		<hr/>	<hr/>
15 Cash and cash equivalents at end of year		13,884,340	32,263
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes to the financial statements, on pages 9 to 21, are an integral part of this statement.

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 General information

Certified Accountant Investment Company Limited is a limited liability company incorporated in the UK.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. These financial statements are presented in pounds sterling because that is the company's functional currency.

Changes in accounting policies

There were no new standards adopted during the year.

The following new standards, interpretations and amendments, which have not been applied in these financial statements, may have an effect on the company's future financial statements:

- **IFRS 15 Revenue from contracts with customers**
IFRS 15 requires the recognition of revenue to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.
- **IFRS 9 Financial Instruments**
IFRS 9 introduced new requirements for the classification and measurement of financial assets and the classification and measurement requirements for financial liabilities along with the requirements for recognition and derecognising of financial assets and liabilities. IFRS 9 Financial Instruments has replaced IAS 39 Financial Instruments: Recognition and Measurement in its entirety.
- **Annual improvements to IFRSs (2012-2015)**
The improvements in these amendments clarify the requirements of IFRSs and eliminate inconsistencies within and between standards.
- **IFRS 12 Disclosure of Interests in Other Entities**
The standard requires a reporting entity to disclose information that helps users to assess the nature and financial effects of the reporting entity's relationship with other entities.
- **Amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities**
The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement.

None of the other new standards, interpretations and amendments are expected to have an effect on company's future financial statements.

2 Accounting policies

(a) Accounting convention

They have been prepared using the historical cost convention except as disclosed in the accounting policies below.

(b) Consolidation

Consolidated financial statements are not prepared as the company is a wholly owned subsidiary of the Association of Chartered Certified Accountants (ACCA), a body incorporated in the UK by Royal Charter. These financial statements therefore present information about the company as an individual undertaking and not about its group. The consolidated financial statements for the ACCA group are available from ACCA at its office at The Adelphi, 1-11 John Adam Street, London WC2N 6AU.

(c) Going concern

At the time of approving the financial statements, the directors have a reasonable expectation the company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties about the company's ability to continue as a going concern.

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies (continued)

(d) *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 revenues and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates. The financial statements are prepared on the going concern basis. The directors are responsible for ensuring that proper books of account are kept and that internal controls are maintained in order to safeguard the assets and prevent and detect fraud and other irregularities.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

i) Depreciation of property, plant and equipment

Depreciation is provided in the financial statements so as to write-down the respective assets to their residual values over their expected useful lives and as such the selection of the estimated useful lives and the expected residual values of the assets requires the use of estimates and judgements. Details of the estimated useful lives are as shown below in the policy note for depreciation.

ii) Impairment of property, plant and equipment

Where there is an indication that the carrying value of items of property, plant and equipment may have been impaired through events or changes in circumstances, a review will be undertaken of the recoverable amount of that asset based on value in use calculations which will involve estimates and assumptions made by the directors.

(e) *Revenue*

Revenue is derived from the continuing principal activities of the company and is stated net of VAT. Rental income is recognised as income in the period to which it relates. Dividend income from investments is recognised when the right to receive payment has been established.

(f) *Plant and equipment*

All plant and equipment are initially recorded at cost and subsequently stated at historic cost less depreciation.

(g) *Investment property*

Investment property is property held to earn rentals and for capital appreciation. In accordance with IAS40, the directors have elected to measure the investment property using the cost model. In addition, under IAS1, the directors have elected to use the UK GAAP valuation of the property at the date of transition to IFRS as the deemed cost for the purposes of the cost model.

Investment property, which includes land and buildings, is shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying value of the asset, and the net amount is restated to the revalued amount of the asset.

(h) *Depreciation*

Depreciation is provided on all property, plant and equipment, other than freehold land which is not depreciated, at rates calculated to write-off the cost or valuation of each asset on a straight-line basis over its expected useful life, as follows:

- investment property - over 50 to 100 years;
- furniture and office equipment - over 4 to 10 years;
- computer systems and equipment - over 4 years.

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2 Accounting policies (continued)

(i) *Impairment*

At each balance sheet date, the company reviews the carrying amounts of its tangible assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(j) *Available-for-sale investments*

The portfolio of quoted investments, which is managed by professional fund managers, is held for the long term and is classified as "available-for-sale". Investments are initially recorded at cost, including transaction costs. Available-for-sale investments are carried at fair value, stated as market value as at the balance sheet date, with all changes in fair value recorded in reserves. When the available-for-sale investments are sold, the cumulative gains and losses previously recognised in reserves are recycled through the statement of comprehensive income for the current period.

(k) *Tax*

Tax includes all taxes based upon the taxable profits of the company.

Full provision for deferred taxation is made, using the balance sheet liability method, on temporary differences between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred tax movements in respect of unrealised revaluation surpluses are taken to reserves. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

(l) *Share capital*

Ordinary shares are classified as equity.

(m) *Investments*

Investments in associated undertakings are included in the balance sheet at cost less any provision for impairment.

(n) *Operating leases*

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

(o) *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 company 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.

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2 Accounting policies (continued)

(o) Financial instruments (continued)

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 are subject to insignificant risk of changes in value.

Trade and other payables

Trade and other payables are stated at their fair value.

Gains and losses

All gains or losses on financial assets and liabilities are recognised in the statement of comprehensive income, apart from fair value gains or losses on available-for-sale investments which are recorded in reserves.

(p) Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are material items of income and expenditure that have been shown separately due to the significance of their nature or amount.

3 Financial risk management

The main financial risks arising from the company's activities are credit risk, liquidity risk and market risk. These are monitored by management on a regular basis.

Credit risk management

Credit risk arises principally from the company's 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.

Liquidity risk

Liquidity risk arises from the company's management of working capital. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. ACCA (the ultimate parent) manages the company's liquidity risk by ensuring that it has adequate banking facilities and reserve borrowings. The company receives the majority of its income from rent, service charges and dividends received throughout the period. Surplus cash not required for short-term operating purposes is invested to maximise returns at an agreed level of risk. Liquidity is managed to ensure investments are liquidated in a timely manner to meet operating requirements.

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

3 Financial risk management (continued)

Market risk

Market risk arises from the company's use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the interest rates (interest rate risk), or other market factors (other price risk).

Interest rate risk relates to the risk of loss due to fluctuations in both cash flows and the fair value of financial assets and liabilities due to change in market interest risk. The parent company invests, on behalf of the company, surplus cash in the short-term and in doing so exposes itself to the fluctuation in interest rates that are inherent in such a market. A movement in the interest rate of 1.5% either way would not have a material effect on the profit reported in the financial statements.

Other price risk relates to the risk in changes in market prices of the available-for-sale investments. The company invests surplus cash in a managed fund operated by Baillie Gifford, who are professional fund managers, and in doing so exposes itself to the fluctuations in price that are inherent in such a market. Baillie Gifford have been given discretionary management of the funds. The effect of a 10% increase in the value of the available-for-sale investments held at the balance sheet date would have resulted in an increase in the fair value reserve of £6.6m (2015: £6.5m), net of deferred tax. A 10% decrease in their value would, on the same basis, have decreased the fair value reserve by the same amount. ACCA regularly monitors and reviews its exposure with key banking and investment manager suppliers.

Fair value

The directors are of the opinion that the carrying value of financial instruments approximates fair value.

4 Capital

The company considers its capital to be its ordinary shares in issue, its retained earnings and its fair value reserves. The directors' financial objective is to generate a targeted operating profit, in order to strengthen the balance sheet and provide for the future continuity of the company. The directors review the financial position of the company at each board meeting. The company is not subject to any externally imposed capital requirements.

	31 Mar 2016 £	31 Mar 2015 £
5 Revenue		
Rental and service charge income	420,921	561,228
Dividends from trading investments	1,471,909	1,163,311
	<u>1,892,830</u>	<u>1,724,539</u>

The investment property generated rental and service charge income during the year. The investment property was leased to ACCA and other entities in the ACCA group. There was no formal lease agreement in place. ACCA and the other ACCA group entities moved to a new building on 2 January 2016 and the property was sold in March 2016. There will therefore be no future annual rental income. The investment portfolio generated accumulation dividends during the year which are automatically reinvested.

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	31 Mar 2016 £	31 Mar 2015 £
6 Profit from operations		
Profit from operations has been arrived at after charging:		
Auditors' remuneration	4,000	3,250
Depreciation	45,536	40,248
Operating costs arising from investment properties	335,535	224,794
Donation to CAET (note 23)	90,000	370,000
	<u> </u>	<u> </u>
The company has no employees other than the directors. None of the directors received any remuneration during the year or the prior year.		
7 Finance income		
Interest on bank deposits	119	—
	<u> </u>	<u> </u>
8 Gain on disposal of property		
Realised gain on disposal of property before selling expenses	3,964,028	—
Selling expenses	(129,500)	—
	<u> </u>	<u> </u>
	3,834,528	—
	<u> </u>	<u> </u>
On 29 March the company sold its freehold investment property, which it had rented out to ACCA and other ACCA group companies.		
9 Income tax expense		
Corporation tax on the profit for the year	868,247	1,790
	<u> </u>	<u> </u>
Factors affecting the tax charge for the year		
Profit before tax	5,448,134	1,134,888
	<u> </u>	<u> </u>
Profit before tax multiplied by the small company rate of UK Corporation tax of 20% (2015: 20%)	1,089,627	226,978
	<u> </u>	<u> </u>
Effects of:		
Depreciation	9,107	8,050
Capital allowances	(2,619)	(575)
Non-taxable income	(294,382)	(232,663)
Expenditure not deductible for tax purposes	71,305	—
Utilisation of previously unrecognised tax losses	(4,791)	—
	<u> </u>	<u> </u>
	(221,380)	(225,188)
	<u> </u>	<u> </u>
Total tax expense	868,247	1,790
	<u> </u>	<u> </u>

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

10 Plant and equipment

	Furniture and office equipment £	Computer systems and equipment £	Total £
Cost			
As at 1 April 2014/2015	203,870	132,364	336,234
Disposals	(203,870)	(132,364)	(336,234)
As at 31 March 2016	<u>—</u>	<u>—</u>	<u>—</u>
Accumulated depreciation			
As at 1 April 2014	191,399	132,364	323,763
Depreciation charge	4,963	—	4,963
As at 1 April 2015	196,362	132,364	328,726
Depreciation charge	4,429	—	4,429
Eliminated on disposal	(200,791)	(132,364)	(333,155)
As at 31 March 2016	<u>—</u>	<u>—</u>	<u>—</u>
Carrying amount			
As at 31 March 2016	<u>—</u>	<u>—</u>	<u>—</u>
As at 31 March 2015	<u>7,508</u>	<u>—</u>	<u>7,508</u>

11 Investment property

Cost or valuation	
As at 1 April 2014	6,400,000
Additions	13,205
Revaluation surplus	1,336,795
As at 1 April 2015	7,750,000
Disposals	(7,750,000)
As at 31 March 2016	<u>—</u>
Accumulated depreciation	
At 1 April 2014	—
Depreciation charge	35,285
Eliminated on revaluation	(35,285)
As at 1 April 2015	—
Depreciation charge	41,107
Eliminated on disposal	(41,107)
As at 31 March 2016	<u>—</u>
Carrying amount	
As at 31 March 2016	<u>—</u>
As at 31 March 2015	<u>7,750,000</u>

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

11 Investment property (continued)

The company's freehold investment property was sold for £11,550,000 on 29 March 2016. In the previous year's accounts the investment property was valued at £7,750,000 as at 31 March 2015. This included land, which was not depreciated, valued at £3,650,000.

The fair value of the property portfolio has been determined using an income capitalisation technique, whereby market rental values are capitalised with a market capitalisation rate. The resulting valuations were cross-checked against the equivalent yields and the fair market values per square foot derived from comparable recent market transactions on arm's length terms. These techniques are consistent with the principles in IFRS 13 Fair Value Measurement and use significant unobservable inputs such that the fair value measurement of each property was classified as Level 3 in the fair value hierarchy in the previous year.

	31 Mar 2016 £	31 Mar 2015 £
Cost or valuation comprises freehold property stated at:		
Valuation in 2015	—	7,750,000
If stated at historical cost the comparable amounts for the total freehold property would be:		
Cost	—	4,700,124
Accumulated depreciation	—	(711,428)
Net book value	—	3,988,696
12 Investments in associated undertakings		
Cost at 1 April 2015 and 31 March 2016	2	2

Details of the investment in the principal related undertaking is as follows:

	Country of registration	Beneficial holding	Nature of business
Certified Accountants Educational Projects Limited	England & Wales	Ordinary shares 50%	Provider of educational supplies and services

Its profit for the year ended 31 March 2016 was £157,791 (year ended 31 March 2015: loss of £43,368) and its accumulated losses at 31 March 2016 amounted to £926,622 (At 31 March 2015: accumulated losses of £1,084,413).

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	31 Mar 2016 £	31 Mar 2015 £
13 Available-for-sale investments		
At 1 April	82,069,013	50,507,154
Additions	1,553,234	26,212,051
Unrealised investment (losses)/gains	(895,452)	5,349,808
	<hr/>	<hr/>
At 31 March	82,726,795	82,069,013
	<hr/>	<hr/>
Historical cost as at 31 March	63,900,769	62,347,535
	<hr/>	<hr/>

Available-for-sale investments, comprising units in Baillie Gifford's Diversified Growth Fund and Baillie Gifford's Managed Fund, are fair valued at the close of business at the balance sheet date. Wherever possible, fair value is determined by reference to Stock Exchange quoted bid prices or to the Fund Manager's closing single price on a swinging price basis. Available-for-sale investments are classified as non-current assets unless they are expected to be realised within twelve months of the balance sheet date.

Concentration of available-for-sale investments		
UK equities	22,402,332	19,912,353
Overseas equities	34,174,661	33,226,756
Fixed interest government bonds	4,164,908	5,380,522
Fixed interest non-government bonds	8,026,543	8,184,783
Cash and deposits	6,429,874	8,045,570
Hedge funds	3,910,016	4,237,678
Inflation-linked bonds	674,202	630,010
Other	2,944,259	2,451,341
	<hr/>	<hr/>
At 31 March	82,726,795	82,069,013
	<hr/>	<hr/>

Available-for-sale investments are denominated in the following currencies

UK Pound	50,377,190	47,191,007
US Dollar	15,097,386	15,277,844
Japanese Yen	5,267,468	2,517,513
Swedish Krona	4,804,346	4,443,713
Swiss Franc	1,832,205	1,206,115
Indian Rupee	1,680,782	1,558,014
Euro	1,439,319	978,759
Hong Kong Dollar	1,232,153	1,915,227
Other currencies	995,946	6,980,821
	<hr/>	<hr/>
At 31 March	82,726,795	82,069,013
	<hr/>	<hr/>

The company monitors its exposures with reference to regular reports from Baillie Gifford who have discretionary management of the investment portfolio.

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

13 Available-for-sale investments (continued)

Fair value hierarchy

The company classifies financial instruments measured at fair value in available-for-sale investments according to the following hierarchy:

Level	Fair value input description	Financial instruments
Level 1	Quoted prices from active markets	Quoted equity instruments and cash
Level 2	Inputs other than quoted prices in level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices)	Unquoted equity instruments included in available-for-sale investments
Level 3	Inputs that are not based on observable market data	Unquoted equity instruments included in available-for-sale investments

The company's available-for-sale investments are classified by the fair value hierarchy as follows:

	Level 1 £	Level 2 £	Level 3 £	Total £
At 31 March 2015				
Quoted equity and cash	—	—	—	—
Observable inputs	—	82,069,013	—	82,069,013
Unobservable inputs	—	—	—	—
Total	—	82,069,013	—	82,069,013
At 31 March 2016				
Quoted equity and cash	—	—	—	—
Observable inputs	—	82,726,795	—	82,726,795
Unobservable inputs	—	—	—	—
Total	—	82,726,795	—	82,726,795

Following a review by Baillie Gifford of the underlying investments in the funds, they have assessed that all of the investments are in fact level 2 as opposed to level 1 which was how the investments were disclosed in the previous year. The comparative figures above have been restated to reflect that assessment. Management has assessed and reviewed Baillie Gifford's view of the classification and have judged that the disclosure as level 2 is applicable for 2016.

	31 Mar 2016 £	31 Mar 2015 £
14 Receivables and prepayments		
Prepayments	—	360
15 Cash and cash equivalents		
Cash at bank and in hand	13,884,340	32,263

All cash and cash equivalents are held in sterling.

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

	31 Mar 2016 £	31 Mar 2015 £
--	---------------------	---------------------

16 Deferred tax liabilities

Deferred tax liabilities are calculated in full on temporary differences under the balance sheet liability method using a principal tax rate of 20% (2015: 20%). The movement on deferred tax liabilities during the year is as follows:

At 1 April	2,673,000	1,656,000
Tax (credited)/charged to reserves	(532,000)	1,017,000
At 31 March	<u>2,141,000</u>	<u>2,673,000</u>

The deferred tax charged/(credited) to reserves during the year is as follows:

Fair value reserves		
- available-for-sale investments	(406,000)	891,000
- investment property	(126,000)	126,000
	<u>(532,000)</u>	<u>1,017,000</u>

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable.

17 Trade and other payables

Amounts due to ultimate parent	54,899,907	54,983,010
Other taxes and social security costs	2,392,129	109,677
Accrued expenses and deferred income	136,600	8,850
	<u>57,428,636</u>	<u>55,101,537</u>

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The company's normal payment terms are within 30 days. Payment terms may exceed 30 days where the contract provides for extended terms. There are no repayment terms for the amounts due to the ultimate parent. The directors consider that the carrying amount of trade and other payables approximates to their fair value.

18 Ordinary shares

Authorised

500 'A' Ordinary shares of £1 each	500	500
500 'B' Ordinary shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

Issued and fully paid

50 'A' Ordinary shares of £1 each	50	50
50 'B' Ordinary shares of £1 each	50	50
	<u>100</u>	<u>100</u>

Under the articles, the 'A' and 'B' shares carry identical rights in respect of voting and participation in a winding up. The company may, however, by ordinary resolution declare different rates of dividend for the two classes or may declare a dividend on one but not the other.

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

19 Fair value reserves and retained earnings

	Property revaluation reserve £	Investment revaluation reserve £	Total revaluation reserve £	Retained earnings £
Balance at 1 April 2014	2,370,669	12,715,670	15,086,339	10,158,394
Profit for the year	—	—	—	1,133,098
Revaluation – gross	1,372,080	5,349,808	6,721,888	—
Revaluation – deferred tax	(126,000)	(891,000)	(1,017,000)	—
Transfer re historic cost depreciation	18,555	—	18,555	(18,555)
Balance at 31 March 2015	3,635,304	17,174,478	20,809,782	11,272,937
Profit for the year	—	—	—	4,579,887
Revaluation – gross	—	(895,452)	(895,452)	—
Revaluation – deferred tax	—	406,000	406,000	—
Eliminated on disposal	(3,761,304)	—	(3,761,304)	3,761,304
Eliminated on disposal – deferred tax	126,000	—	126,000	(126,000)
Balance at 31 March 2016	—	16,685,026	16,685,026	19,488,128

20 Reserves

Called-up share capital represents the nominal value of shares which have been issued.

Retained earnings includes all current and prior period retained profits and losses.

Property revaluation reserve represents the difference between the fair value of the property at the balance sheet date and its historic cost less any related deferred tax.

Investment revaluation reserve represents the difference between the market value of the available-for-sale investments at the balance sheet date and their historic cost less any related deferred tax.

	31 Mar 2016 £	31 Mar 2015 £
21 Commitments		
Capital commitments were as follows:		
Amounts contracted for	—	—
Amounts authorised but not contracted for	—	173,727

22 Ultimate parent undertaking

In the opinion of the directors, the company's parent undertaking and controlling party is the Association of Chartered Certified Accountants, a body incorporated in England and Wales by Royal Charter.

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

23 Related party transactions

Relationships

Parent company

Association of Chartered Certified Accountants

Fellow subsidiaries

Certified Accountants Educational Trust
 Certified Accountants Educational Trustees Ltd
 Certified Accountants Educational Projects Ltd
 Certified Accountant (Publications) Ltd
 Association of Authorised Public Accountants
 Seacron Ltd
 ACCA Malaysia Sdn. Bhd.
 ACCA Mauritius
 ACCA Pakistan
 ACCA Singapore Pte Ltd
 ACCA South Africa
 Seacron Educational Nigeria Ltd
 ACCA (Shanghai) Consulting Co. Ltd
 ACCA Canada
 ACCA Romania
 ACCA Malawi Ltd
 ACCA Botswana
 ACCA Australia and New Zealand Ltd
 ACCA Tanzania
 Certified Nominees Ltd
 ACCA Ventures Ltd
 ACCA Russia Ltd

Members of key management

Alexandra Chin (resigned 17 September 2015)
 Brian McEnergy (appointed 17 September 2015)
 Certified Nominees Ltd

	31 Mar 2016 £	31 Mar 2015 £
Related party balances	Owing	Owing
Association of Chartered Certified Accountants	54,899,907	54,983,010
Related party transactions		
Sales		
Association of Chartered Certified Accountants	230,847	307,794
Certified Accountants Educational Trust	133,224	177,640
Certified Accountants Educational Projects Ltd	38,651	51,533
Certified Accountant (Publications) Ltd	13,981	18,639
Association of Authorised Public Accountants	4,218	5,622

During the year, the company made a donation of £90,000 (year ended 31 March 2015: £370,000) to The Certified Accountants Educational Trust, a charity whose corporate trustee is owned by the company's ultimate parent.

CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CERTIFIED ACCOUNTANTS INVESTMENT COMPANY LIMITED

We have audited the financial statements of Certified Accountants Investment Company Limited for the year ended 31 March 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of cash flow, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditor

As explained more fully in the Statement of Directors' Responsibilities on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Andrew Howie
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
Glasgow, United Kingdom

19 July 2016