



**ADDING VALUE TO A GLOBAL SOCIETY**



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**AN INTEGRATED REPORT IS A CONCISE  
COMMUNICATION ABOUT HOW AN ORGANISATION'S  
STRATEGY, GOVERNANCE, PERFORMANCE AND  
PROSPECTS LEAD TO THE CREATION OF VALUE  
OVER THE SHORT, MEDIUM AND LONG TERM.**

IIRC DRAFT FRAMEWORK, APRIL 2013

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# CONTENTS

ABOUT US	2
ASSURANCE STATEMENT	3
2012-13 OPERATIONAL HIGHLIGHTS	4
2012-13 PERFORMANCE HIGHLIGHTS	6
PRESIDENT'S OVERVIEW	8
CHIEF EXECUTIVE'S COMMENTARY	10
OUR VALUE CREATION PROCESS	12
OUR STRATEGIC PROGRESS	16
OUR FINANCIAL PERFORMANCE	34
OUR GOVERNANCE	38
OUR RISKS	40
CONCLUSION	43

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## ABOUT US

**ACCA IS A PROFESSIONAL ACCOUNTANCY BODY WITH NEARLY 162,000 MEMBERS AND 428,000 STUDENTS IN 173 COUNTRIES. WE HAVE 89 OFFICES AND CENTRES AROUND THE WORLD AND EMPLOY A GLOBAL WORKFORCE OF NEARLY 1,100 PEOPLE.**

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### What matters to us

We remain driven by the mission and core values on which we were founded over a century ago.

Our mission is to:

- provide opportunity and access to people of ability around the world
- support our members throughout their careers
- achieve and promote the highest ethical, governance and professional standards, and
- advance the public interest.

Our core values are:

- opportunity
- diversity
- innovation
- accountability, and
- integrity.

For further background, please visit the **About Us** section of our website.

### About this report

This report details our performance for the year ended 31 March 2013 and has been prepared following the guidelines of the International Integrated Reporting Council's (IIRC's) draft framework for integrated reporting (released in April 2013). It is designed to provide readers with a concise but comprehensive picture of how ACCA has created value through the execution of its strategy over the past year and how it is positioned to continue to do so in the future.

This is the second year in which we have reported on our performance using integrated reporting principles. Following internal review and feedback from stakeholders, we have aimed to make our 2012-13 report more concise while specifically improving the quality of disclosure we provide, with a special focus on our business model, our risks and our view of the future outlook for the profession and ACCA.

### Your feedback

We welcome feedback from readers on any aspect of this report. Please contact us at: [externalreporting@accaglobal.com](mailto:externalreporting@accaglobal.com)

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# 590,000

**MEMBERS AND STUDENTS IN 173 COUNTRIES WORLDWIDE.**

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## ASSURANCE STATEMENT

**ELEMENTS OF THIS REPORT HAVE BEEN ASSURED IN THE WAYS DETAILED BELOW. OUR AIM OVER TIME IS TO GAIN ASSURANCE OVER THE ENTIRETY OF THE REPORT.**

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The entirety of the report is approved by our Executive Team, Audit Committee and Council. Much of the information in the report is extracted from other reports which have received external assurance. This includes information extracted from:

- our financial statements – these have been prepared in accordance with International Financial Reporting Standards (as adopted by the European Union) and have been audited by BDO LLP in accordance with International Standards on Auditing (UK and Ireland). An unqualified audit report was issued by the auditors on 15 June 2013
- our Corporate Social Responsibility (CSR) statement – this is assessed against the Global Reporting Initiative's (GRI) G3 guidelines. GRI has confirmed that we have met Level C status, which is the level we were aiming to achieve.

In addition, the sections on our *2012/13 performance overview* and our *financial performance* include information which is assured by our external auditors by means of audits on our key performance indicators and our consolidated financial statements.

Our full financial statements (incorporating the corporate governance statement) and CSR statement can be found online at: [www.accaglobal.com](http://www.accaglobal.com)

We will seek to develop our external assurance of our integrated report further as guidelines become available.

Our first CSR report was produced in 2009 and we continue to develop our corporate reporting to improve our accountability. As part of the IIRC pilot programme, our focus has moved towards integrated reporting, however we continue to produce a CSR statement which complements this integrated report and specifically covers our global developments on advocacy, sustainability research and insights and provides relevant global data where ACCA is in a position to measure it and it is deemed material to ACCA's strategy and operations.

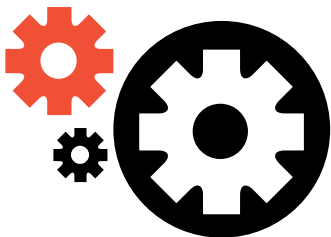
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**OUR FIRST CSR REPORT WAS PRODUCED IN 2009 AND WE CONTINUE TO DEVELOP OUR CORPORATE REPORTING TO IMPROVE OUR ACCOUNTABILITY.**

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## 2012-13 OPERATIONAL HIGHLIGHTS

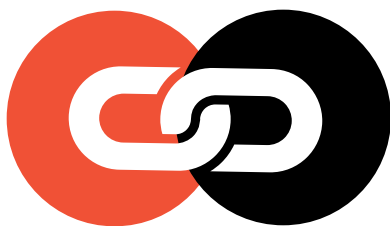
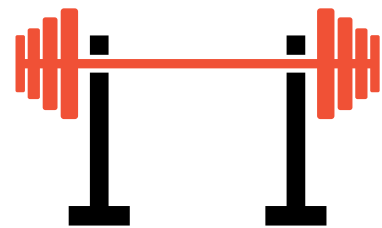
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**NEW, DEDICATED RESOURCE TO HELP DEVELOP THE PROFESSION IN INDONESIA AND KAZAKHSTAN**

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**STRENGTHENED MARKET-FACING TEAMS IN AUSTRALIA, CANADA, THE MIDDLE EAST AND THE USA**



**STRATEGIC GLOBAL PARTNERSHIP WITH THE INSTITUTE OF MANAGEMENT ACCOUNTANTS**

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**LAUNCHED *MY DEVELOPMENT* – AN ONLINE CONTINUING PROFESSIONAL DEVELOPMENT PORTAL FOR MEMBERS**



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**NEW CERTIFICATE  
IN IFRS FOR SMEs**



**DESIGNED THE NEW  
ACCOUNTANCY QUALIFICATION  
FOR SINGAPORE**

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**FIRST COUNCIL  
MEETING IN AFRICA**



**TIME TAKEN TO ISSUE  
EXAM RESULTS CUT BY  
A FURTHER WEEK**

2012-13 PERFORMANCE HIGHLIGHTS

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**7,606**

OUR TOTAL MEMBER NUMBERS INCREASED BY 4.9%

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**98.3%**

MEMBER RETENTION

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**61,311**

NEW ACCA  
QUALIFICATION  
STUDENTS

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**90%**

OF EMPLOYERS SAY ACCA IS A  
WORLD-CLASS ORGANISATION

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**89%**

OF EMPLOYERS SAY THEY  
WOULD RECOMMEND ACCA  
TO OTHER ORGANISATIONS

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**75.6%** MEMBER AND STUDENT SATISFACTION

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**£22.4** MILLION GROSS OPERATING SURPLUS

**11,729** MEDIA MENTIONS AND 21% SHARE OF RELEVANT GLOBAL MEDIA VOICE

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EMPLOYEE ENGAGEMENT SCORE UP BY **2.6%** TO **652.5**

(AS MEASURED THROUGH THE BEST COMPANIES ENGAGEMENT SURVEY)

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## PRESIDENT'S OVERVIEW

Barry J Cooper  
*ACCA President*

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**ACCA'S STRENGTH COMES FROM ITS  
UNIQUE INTERNATIONAL NETWORK,  
AND FROM ITS CLOSE INVOLVEMENT  
IN SUPPORTING THE SUSTAINABLE  
DEVELOPMENT OF THE PROFESSION  
AND ECONOMIES BY TRAINING  
PROFESSIONAL ACCOUNTANTS  
WITH THE REQUIRED SKILLS.**

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*Barry J Cooper*



**THE PAST YEAR HAS BEEN A SIGNIFICANT ONE ON A NUMBER OF FRONTS FOR ACCA. AS WELL AS ENSURING THAT IT MEETS THE NEEDS OF BUSINESSES AROUND THE WORLD, ACCA HAS REMAINED COMMITTED TO CONTRIBUTING TO PUBLIC VALUE AND TO PLAYING A KEY ROLE IN THE DEVELOPMENT OF THE PROFESSION.**

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Our work has involved research on the public's perception of the accountancy profession set against how professional accountants view themselves. Our report *Closing the value gap* highlighted differences in perceptions and outlined actions that the wider profession must take. ACCA is proud to have committed to be at the forefront of the campaign to raise awareness of the critical contribution that finance professionals can make.

We continue to ensure that ethics are at the heart of our members' approach. We also lead and shape debates on issues which are critical to business and the profession, such as the development of corporate reporting, the audit reform debate in Europe, and the need to support small and medium-sized businesses. We are encouraging regulators and standard setters to embrace an approach which works for business and enhances investor confidence.

With a long history in campaigning on environmental and sustainability reporting, ACCA continues to make a unique and leading contribution to sustainable development, as a key sponsor of the United Nations sustainable stock exchange conference, and as a member of the Aviva Investors-led Corporate Sustainability Reporting Coalition.

Much of ACCA's strength comes from its unique international network and from its close involvement in supporting the sustainable development of the profession and economies by training professional accountants with the required skills. For example, 25 years ago I was delighted to be involved in helping ACCA to begin its work in China. Many thousands of young Chinese finance professionals have since enjoyed rewarding careers and ACCA has grown to a point where it has eight offices and centres in Greater China. ACCA has been proud to work with the profession in China and looks forward to a continued strong partnership with organisations and employers in the country.

A further example of our commitment to developing the profession was the decision to hold a Council meeting in Nairobi, Kenya, last year. The event was not only an important indicator of the increasing economic opportunities in Sub-Saharan Africa, but enabled my Council colleagues and me to see at first hand the contributions ACCA members make to the economies of East Africa. We came away with a strong sense that ACCA is supporting accountants for business in Africa.

I am also delighted to note the development of the global strategic partnership with the US-based body for management accountants, IMA. We have published a wide range of reports, and collaborated on events in many countries where there are significant US multinational companies – such as China, Russia, Switzerland, the UAE and the US. Working together, we are achieving very high coverage of our joint work in media around the world. We are truly helping business through financial leadership and performance.

Council continues to benefit from the insights of ACCA's International Assembly, which brings together members from around the world to debate key issues and provide feedback on Council proposals. Among its discussions, the International Assembly members considered ACCA's strategy beyond 2015. There was also an exceptional line-up of speakers which included Hans Hoogervorst, chairman of the International Accounting Standards Board (IASB), Juthika Ramanathan, outgoing CEO of Singapore's Accounting and Corporate Regulatory Authority (ACRA), Zhou Qinye (former executive vice president of the Shanghai Stock Exchange) and Ian Powell, chairman and senior partner of PwC in the UK.

These highlights are clear evidence of ACCA's reach and relevance and the contribution our members make through ethical business, economic growth and sustainable business. I thank ACCA members, including Council members, for the public value they are bringing around the world.

## CHIEF EXECUTIVE'S COMMENTARY

Helen Brand OBE  
Chief Executive

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**AT THE HEART OF ACCA LIES THE BELIEF THAT THE ACCOUNTANCY PROFESSION MUST DEMONSTRATE HOW IT DELIVERS PUBLIC VALUE - ACTING IN THE PUBLIC INTEREST, PROMOTING ETHICAL BUSINESS, SUPPORTING ECONOMIC GROWTH.**

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*Helen Brand*



## **WE HAVE CONTINUED VIGOROUSLY TO PURSUE OUR STRATEGY TO BE THE LEADING GLOBAL PROFESSIONAL ACCOUNTANCY BODY IN REPUTATION, INFLUENCE AND SIZE, IN WHAT REMAIN COMPLEX MARKET CONDITIONS.**

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As a result, we have achieved some significant outcomes on behalf of our members. I am very pleased to note our excellent performance in admitting new members – a total of 10,361 in 2012-13 – who are bringing value to their employers and the wider economy. We have also delivered very high ratings from employers on the strength of the ACCA brand.

Financial performance is strong, enabling us to invest in enhanced services and support our brand. We have realised the benefits of investment in customer service and IT with improved satisfaction scores for the service we provide. I am also very pleased that our employees around the world are more engaged than ever with the organisation and understand how their work contributes to our strategy. This will drive continuous improvement in our performance in order to serve our members and the wider profession.

In the past year we continued to develop our global network of offices, centres and partners. We now have 89 offices and centres which enable us to engage directly with employers, learning providers and regulators as well as members and students, and to respond appropriately to the needs of individual markets.

We also continued to grow our ACCA Qualification student base, in an environment where there is more choice than ever and where a number of competitor bodies are mimicking ACCA's offering and geographic presence. We believe the investment we have made in new markets and sectors will drive sustainable growth and deliver value to regions that need financial capability to support their economies over the coming years. We will also seek to strengthen routes into the ACCA Qualification, including through our own foundation level, other entry-level diplomas in finance and business and degree programmes.

At ACCA, we are passionate about the relevance of our qualification to all sectors. As an example, our research with CFOs shows that they value the 'complete finance professional' who possesses expertise across the finance value chain. We believe this means ACCA members are best placed to seize the opportunities in their organisations to add value.

At the heart of ACCA lies the belief that the accountancy profession must demonstrate how it delivers public value – acting in the public interest, promoting ethical business, supporting economic growth – in volatile market conditions, against a background of scrutiny of the role of the profession. ACCA promotes a strong, global profession free of artificial barriers and approaches – which we have seen in certain markets – to restrict the benefits that derive from the free flow of qualified professionals and ideas.

I have worked to ensure ACCA embeds the concept of public value in everything we do and to engage in a wider debate as to how we can continue to improve perceptions of the value the profession brings. I am pleased by the level of engagement we have been able to achieve with regulators, policy makers and finance professionals in many countries over the past year and I look forward to this continuing.

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**89** OFFICES AND CENTRES WORLDWIDE.

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## OUR VALUE CREATION PROCESS

### Our business model

Our business model is centred on developing a global supply of professionally qualified accountants who are trained and regulated to the same high standard and whose skills and professionalism are in demand by employers in every sector around the world.

A distinctive feature of our approach is an ethos of investing in building our presence in markets so we can play an active and ongoing part in the development of national and regional professions.

This encompasses developing an awareness of the concept of professionalism and ethics, helping build the learning and employer opportunities needed to create members, and supporting the promotion and embedding of high-quality, internationally accepted standards.

### Our funding model

We are funded primarily through member and student subscriptions and fees. Detailed information on our finances can be found on pages 34 to 36.

The key outputs of our business model also work together to create value for our stakeholders. **Widespread market and statutory recognition** drives our ability to grow professional ethical accountants and support the transferability of their qualification, as does the building and enhancing of a **global network of accountancy partnerships**. **Best-in-class products** are also essential to attracting and retaining students and members, and to those who support their careers and ambitions. **A global programme of research and insights** both drives recognition and acts as a focal point for collaboration with employers and other leading professional bodies and partners.

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**WIDESPREAD MARKET AND STATUTORY RECOGNITION DRIVES OUR ABILITY TO GROW PROFESSIONAL ETHICAL ACCOUNTANTS AND SUPPORT THE TRANSFERABILITY OF THEIR QUALIFICATION, AS DOES THE BUILDING AND ENHANCING OF A GLOBAL NETWORK OF ACCOUNTANCY PARTNERSHIPS.**

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You can find more on how we have delivered these individual key outputs in 2012-13 on the following pages.



Widespread market and statutory recognition | **Page 20**

Professional ethical accountants with the complete range of skills required by any organisation, globally | **Page 23**



A global network of accountancy partnerships that bring value to our members around the world | **Page 25**

A global programme of research and insights which supports and enhances sustainable business practice | **Page 26**



Best-in-class products and services | **Page 31**

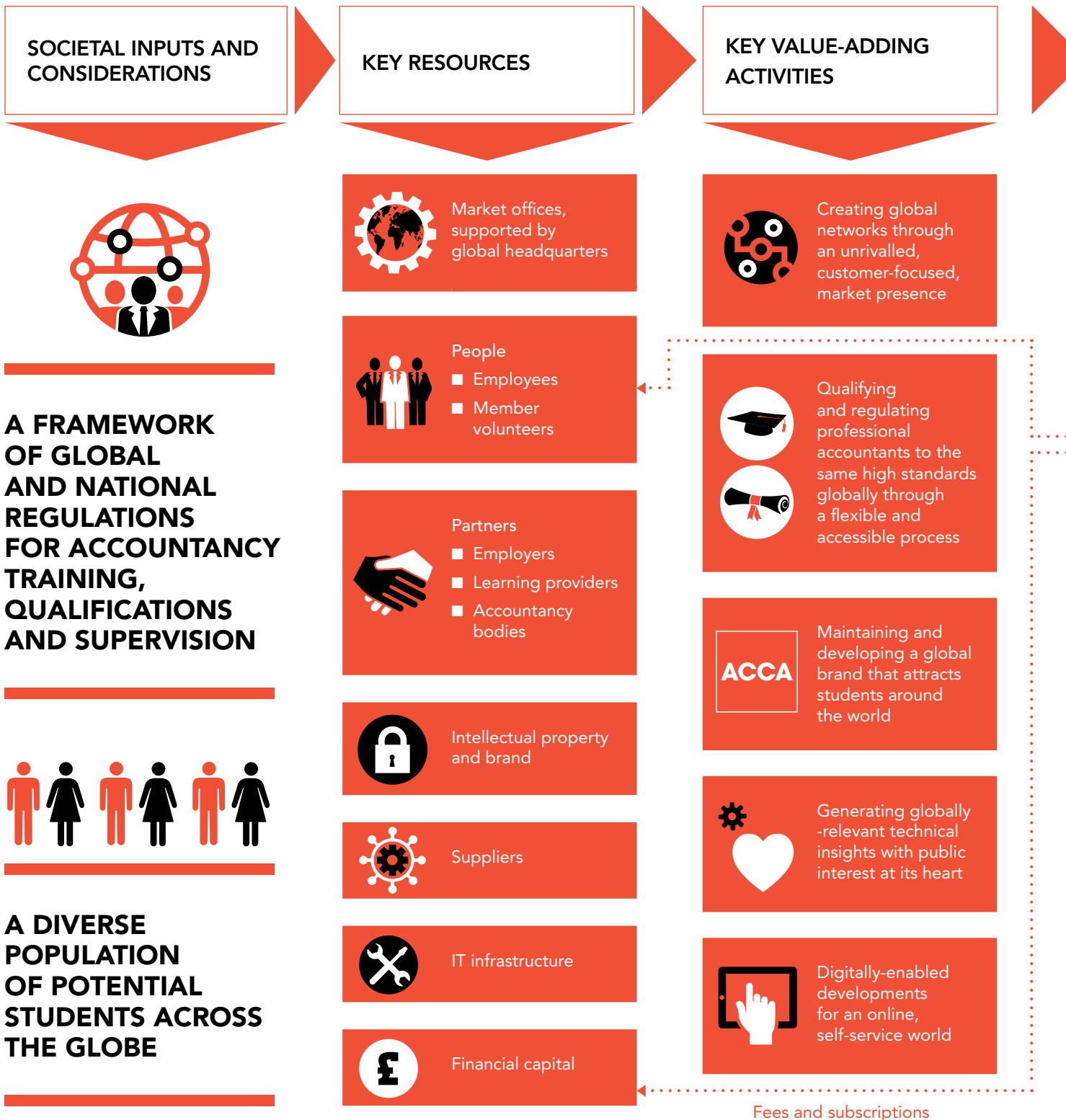


Pull out page for our business model diagram.

Providing opportunity and access to people of ability around the world

Supporting our members throughout their careers

OUR MISSION



**A FRAMEWORK OF GLOBAL AND NATIONAL REGULATIONS FOR ACCOUNTANCY TRAINING, QUALIFICATIONS AND SUPERVISION**



**A DIVERSE POPULATION OF POTENTIAL STUDENTS ACROSS THE GLOBE**

Opportunity

Diversity

Innovation

OUR VALUE




KEY OUTPUTS


KEY OUTCOMES


SOCIETAL BENEFIT


 A global network of accountancy partnerships that bring value to our global membership

 Support and opportunities for members, developed around the world


 Professional, ethical accountants with the complete range of skills required by any organisation, globally


 Joint initiatives that build a stronger profession

 Widespread market and statutory recognition


 Meeting the global demand from employers for accountants with a broad range of skills and a strong ethical compass

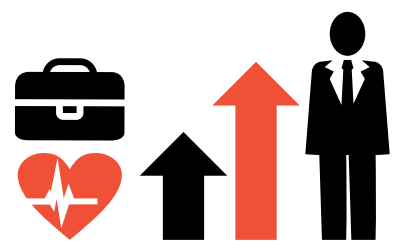
 A global programme of research and insights which supports and enhances sustainable business practice

 Unrivalled global mobility for our members

 Best-in-class products and services

 A distinctive contribution to the development of accountancy thought and practice across the world

 Customer satisfaction



**BUSINESSES IN ALL SECTORS THAT ARE RUN EFFICIENTLY AND RESPONSIBLY, THAT HELP GROW ECONOMIES SUSTAINABLY AND SAFEGUARD THE INTERESTS OF THE PUBLIC AND SOCIETY**



**PUBLIC VALUE**



### Our strategy

Our aim is that, by 2015, ACCA will be the leading professional accountancy body in reputation, influence and size.

The investment we make in our markets presence around the world is key to delivering this strategy. As part of this, we have been refocusing our market teams exclusively on deepening relationships with those who drive demand for, and recognition of, our members and students – that is, governments, regulators, standard setters and, above all, employers. Responsibility for transactional support has been progressively centralised and digitised to enable this shared relationships and sales focus across all our markets.

By focusing on these relationships in-market, we aim to enhance recognition and reputation nationally and internationally. To deliver our promise of global mobility, we also focus significantly on relationships with multinational employers across

all sectors, enabling them to maintain a flexible global workforce. Alongside this, we look to identify future growth economies and position ACCA to meet demand for finance capability.

Change that we need to effect in order to achieve our vision is driven through three specialist programmes focusing on market development, customer service improvement and e-delivery.

We measure our progress towards achievement of the strategy to 2015 against 12 strategic outcomes. ACCA uses a balanced scorecard approach, which means that the strategic measures are viewed as an interconnected chain that tells the overall story of ACCA's strategic performance for the year.

Performance against these outcomes can be found on pages 16 to 19.

More detail on our strategy to 2015, including our strategy map, can be seen at: [www.accaglobal.com/en/discover/about/our-strategy.html](http://www.accaglobal.com/en/discover/about/our-strategy.html)

### Stakeholder input

Reporting on our strategic performance is also informed by the work we undertake with key stakeholders, asking them what issues they would like us to report on and believe are most relevant to ACCA's future success. This year, we extended our in-person stakeholder engagement, running workshops in Canada, Kenya, Malaysia, Sri Lanka and the UK. You can find details of this stakeholder engagement work and the feedback from participants, including our materiality matrix, at [annualreport.accaglobal.com/assets/pdf/acca-annual-report-materiality-matrix.pdf](http://annualreport.accaglobal.com/assets/pdf/acca-annual-report-materiality-matrix.pdf)

### Strategy development

We have begun the development of our strategy beyond 2015, which is due to be launched internally by the end of the 2013-14 performance year. The new strategy is being developed through widespread consultation across ACCA, exploring and expanding on the key trends we have identified, in order to create a series of plausible future scenarios that will help shape our strategy to 2020.

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**BY FOCUSING ON THESE RELATIONSHIPS IN-MARKET, WE AIM TO ENHANCE RECOGNITION AND REPUTATION NATIONALLY AND INTERNATIONALLY.**

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## FUTURE OUTLOOK

Looking beyond our current strategy, and the conditions currently affecting the professional sector, we see a number of key trends to which we will need to respond in the medium and long term.

Key trend	Opportunities	Challenges	How we plan to respond
<b>Globalisation</b>	Growth in emerging markets and associated greater need for accountancy and finance professionals.	Protectionist moves in certain markets and regions.  Growing competition from other professions and bodies.	Leverage our global network, investing in both new and existing markets in line with economic growth projections.  Capitalise on our history and experience of supporting the development of emerging economies.
<b>Regulation</b>	Finance leadership in getting compliance right.  ACCA's influence on standards which work for business and enhance investor confidence.	Increased regulation which makes it hard for some work, eg audit, to be value-adding.  A more rules-based approach to business, which may erode the need for professional judgment.	Policy and technical insight and influential relationships with policy makers and regulators.
<b>Technological advances</b>	Digital communications extending networks and creating wider, more diverse communities.  Ability to offer high-quality exams through e-delivery.	Speed of change and the difficulties of keeping pace.  Social media enabling professionals to create own networks without need of professional bodies.  Free online education (Massive Open Online Courses etc).	Through a 'think digital first' approach, we are investing in e-business, e-assessment, mobile delivery and social media, so we continue to appeal to future talent.
<b>Next generation's view of professional bodies</b>	Reinventing the concept and career paths of the finance professional.  Enhancing the employability of members by working more closely with employers.	Potential perception among the digital native generation of the traditional professions as inflexible and irrelevant.  Younger generation not aspiring to careers for life.	Research into the global preferences of the next generation of potential recruits as part of post-2015 strategy work.  Leverage ACCA's global, diverse network as a unique connected business community of like-minded professionals.
<b>Changing employment landscape</b>	Opportunity to refresh and reinvent the role of the professional accountant.	Larger employers creating their own certifications/universities.  New roles emerging which compete with those that finance professionals perform.	Research into changing global employment patterns as part of our work on strategy beyond 2015.
<b>Negative perceptions of the finance profession, post financial crisis</b>	Opportunity to elevate the ethical standing of finance professionals.	Next generation is not attracted to the profession, as they consider it culpable.  Removal of the profession's powers to regulate itself leading to loss of status and influence.	Continue to reassert and lead on the importance of public value.
<b>Accountancy as a value-driver in business</b>	Transformation of the finance function.  Integrated reporting.  Innovation in accounting services.  Accountants as professional advisers of choice especially to SMEs.	Automation of finance work.  Perceptions of finance professionals as not adding sufficient public value.  Finance professionals not always seen as natural strategic leaders.	Provide the complete skills for professional accountants in all sectors.  Continued research and insights on wide range of topics relevant to the work of our members and the wider global profession.  Leverage our Global Forums to provide nationally and internationally applicable insight, grounded in practical knowledge.

## OUR STRATEGIC PROGRESS

### 2012-13 performance overview

Strategic outcome	Measure	2010-11	2011-12	2012-13	Target for 2013-14
Leading global professional body in reputation, influence and size	Number of members	147,265	154,337	161,943 (target: 162,015)	170,650
Sustainable growth	Gross operating surplus	£16.02m	£20.15m	£22.4m (target: £13.57m)	£19.70m
Qualifications required by employers	Member retention	98.5%	98.5%	98.3% (target: 98.5%)	98.5%
Recognition of the ACCA brand	Market share	37.2%	37.6%	37.4% (target: 37.9%)	At least 2.8% more member growth than our key international competitors
Leading and shaping the agenda of the profession	% of employers who consider that ACCA's positions on the agenda of the profession promote public value	45.2%	53.7%	42.4% (target: 57.7%)	44.4%
Recruitment and retention of our membership base	Number of ACCA Qualification students	349,574	368,145	372,248 (target: 380,000)	381,000
Customer-focused delivery of products and services	% of service delivery SLAs met	N/A	70%	81% (target: 80%)	84%
A technology-enabled, integrated and efficient infrastructure	% of IT SLAs met	N/A	77%	84% (target: 80%)	84%
Relevant products, services and brand	Student and member satisfaction	77.4%	77.2%	75.6% (target: 79%)	78%
People with knowledge and skills to deliver our strategy	Employee engagement	N/A	635.9	652.5 (target: 660)	660
An aligned organisation	Employees who understand their contribution to our strategy	84.0%	81.0%	84.8% (target: 84%)	90% of employees believe they can make a valuable contribution to the success of ACCA
Knowledge of markets and stakeholder needs	Employees who believe they have the information on our stakeholders they need	67.1%	64.4%	61.6% (target: 67%)	50 intranet page views per employee per month

## Commentary

**Leading global professional body in reputation, influence and size** | We increased the number of ACCA members by 7,606, driven by 10,361 new member admissions during the year. We missed our overall target by just 72 members (0.04%).

In the past 12 months, we have focused strongly on conversion initiatives, including a new online tool to make it simpler for students to record practical work experience, and additional support materials for our Options papers at the final stages of the qualification. The improvements have helped more ACCA students than ever achieve their goal of membership.

**Sustainable growth** | Our key performance indicator for financial performance is gross operating surplus. We have achieved a surplus of £22.42 million.

During the year, we invested nearly £12m in development programmes, delivering a wide range of customer service improvements and further strengthening our position in key development markets. This investment is essential to maintain our competitive position and to underpin sustainable growth.

The gross operating surplus exceeded target. This is primarily due to the release of unused contingency funding held to provide mitigation against financial risks arising from the uncertain global economic environment, increasing tax requirements, and risks arising from the volatility in the pension fund. For an organisation the size of ACCA, it is important we can ensure contingency for such risks, and we need to continue to do so as we face continuing uncertainty in the economic environment.

**Qualifications required by employers** | We retained 379 fewer members than we had planned, mainly due to changes in the retention process, both to recover all fees owing and to centralise the process. Revisions to the process have been introduced for 2013-14 and we believe these will enable us to restore performance to 2011-12 levels. We are also conscious that value for money remains an important driver of retention and we will look to refresh our member proposition to continue to support our retention rates.

**Leading and shaping the agenda of the profession** | Performance in this area was disappointing, especially as we have increased our media coverage and achieved wider than ever engagement with employers across all of our policy, research and technical work. Overall, the main contributing factor to this result was a lower awareness of a number of themes we are championing.

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# 10,361

**NEW ACCA MEMBERS.**

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# £11.9 MILLION

**INVESTED IN PROGRAMMES  
TO STRENGTHEN ACCA'S  
GLOBAL POSITION.**

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# 94%

**EMPLOYERS SURVEYED  
WHO SAY ACCA IS A  
RESPECTED BRAND.**

One contributing factor could be that we surveyed a wider and different range of participants than in previous years. We will continue to develop an agenda which promotes public value in all our advocacy work, and look at ways to improve employer perceptions in the coming year.

However, our brand positioning overall remains very strong with employers. We asked employers about their perception of ACCA in general. Their responses to these questions were outstandingly positive. 90% of employers say that ACCA is a world class organisation and 89% of employers would recommend ACCA to other organisations. In addition, 59% said that ACCA is a global leader in the profession, ahead of the next most mentioned international body (at 12%).

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**Recognition of the ACCA brand** | With over half a million ACCA students and members, ACCA is the largest amongst our international peer group. Increasingly, other bodies are following ACCA into countries where we have established a demand for an international professional accountancy qualification. Their tactical campaigns to take market share are impacting negatively on their retention rates.

We believe that the foundations for growth will best come from investing in our relationships with regulators, employers, learning providers, educational institutions and accountancy bodies and therefore creating conditions for sustainable success for professional accountancy. We continued to invest strongly in this over the past year and believe this will underpin future performance.

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# 61,311

**NEW ACCA QUALIFICATION  
STUDENTS RECRUITED.**

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**Recruitment and retention of our membership base** | The ACCA Qualification continues to be highly attractive to aspiring professionals around the world. Last year, we recruited 61,311 new ACCA Qualification students – nearly twice as many as the next most successful international body.

However, we have not achieved the rate of growth we planned for. We have seen a rise in competition from some international bodies, and an increasing range of new options for students, such as higher education colleges offering business and finance qualifications. In some markets, we have seen forms of protectionism to reduce the appeal of international qualifications. In addition, we had a lower number of Foundation level students than anticipated, which meant fewer students transferring onto our professional qualification level. We have already responded by working closely with learning providers in a range of markets to realise market potential.

We continue to believe there is a very good opportunity for professional accountancy qualifications, with a high demand for professional accountants across many markets. The ACCA Qualification remains highly relevant to all sectors, providing flexible routes to entry that work for school leavers and graduates of all disciplines. It also meets employer needs to access a diverse, global talent pool of complete finance professionals.

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**Customer-focused delivery of products and services** | We increased our target by 10 percentage points on the previous year. Achieving our target is therefore particularly pleasing. Over the past few years, we have centralised much of our customer contact from around the world to our Glasgow-based ACCA Connect team. This result reflects the commitment of our teams to provide best-in-class service to our customers. Our continued investment to provide better customer service has also seen our customer service ratings amongst members and students improve, with 74% of members and 69% of students satisfied with our customer service.

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# 74%

**OF MEMBERS ARE SATISFIED WITH OUR CUSTOMER SERVICE.**

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**Relevant products, services and brand** | While overall student satisfaction has remained broadly stable, overall member satisfaction has seen a slight decline. This is something we must monitor carefully to ensure we understand what members in particular value from us. However, where we have invested, we have seen positive results. For example, we continue to see improvements in scores on the ease of doing business online with ACCA, with member scores rising from 70% to 73% and student scores from 75% to 76% – this follows significant jumps last year.

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## **WE CONTINUE TO SEE IMPROVEMENTS IN SCORES ON THE EASE OF DOING BUSINESS ONLINE WITH ACCA.**

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**People with knowledge and skills to deliver our strategy** | We narrowly missed our target of moving up a category to become a 'One Star' company, but increased our overall engagement score by 16.6 points to 652.5 (an increase of 2.6%). We witnessed a 10% increase in the response rate from last year and saw increases in levels of engagement across ACCA's employee teams.

**A technology-enabled, integrated and efficient infrastructure** | Our IT infrastructure underpins many of our customer interactions, which we continue to move online. Good performance against our SLA is good news given the volume of technology-based change we continue to drive through our targeted programme of investment in customer service. Having a stable and flexible IT platform remains an essential foundation for our continued migration towards being a digital organisation.

**An aligned organisation** | We met our year-end target, which is especially encouraging given the importance of people as our prime asset in delivering value to our customers.

**Knowledge of markets and stakeholder needs** | We did not meet our year-end target, primarily as a result of falls in scores for the adequacy of information we hold relating to students. Since knowing our customers is the first step in providing the right products and services to them, we have embarked on more robust processes to ensure we have reliable information on all our customer groups. This includes a new update screen in myACCA, which has already led to over 383,000 records being confirmed or updated.

## RECOGNITION

Widespread market and statutory recognition.



Key Performance Indicator:

# 37.4%

MARKET SHARE.

Other relevant measures:

- **11,789** global media mentions
- **21%** share of global media voice
- **14,264** members of ACCA's official LinkedIn pages
- **28,310** Twitter followers
- **209,650** Facebook followers

Recognition of the ACCA Qualification is key to the employability of our members and students. Our focus is on enhancing the market recognition of ACCA by ensuring the qualification has status and is in high demand by employers. Formal recognition is important to members who wish to undertake regulated work such as audit and we therefore seek both to protect and build ACCA's statutory recognition. We also work to enhance the recognition of our qualifications on educational frameworks.

### Safeguarding recognition and standing

ACCA is subject to significant external oversight which contributes to the integrity of our qualifications processes and our standing in the profession.

The UK's Financial Reporting Council (FRC) is the main regulator of the accountancy profession in the UK. FRC confirms and determines ACCA's ongoing status in the UK as a recognised qualifying body and a recognised supervisory body for statutory audit purposes. ACCA is subject to annual monitoring from FRC's Professional Oversight team which looks at all aspects of the qualifications process, and we work closely with them to implement any recommendations to improve our processes in this area. This recognition and the meaningful role we play in markets around the world work together to enable us to forge partnerships with national bodies that benefit members nationally and regionally (see page 25 on *Partnerships*).

### Recognition on national qualification frameworks

ACCA is also recognised as an Awarding Organisation on the Qualifications and Credit Framework (QCF) in England, Wales and Northern Ireland, and by the Scottish Qualifications Authority (SQA) and Quality and Qualifications Ireland (QQI). The Office of the Qualifications and Examinations Regulator (Ofqual) regulates awarding organisations to ensure they meet Ofqual's General Conditions of Recognition, as well as any specific conditions imposed on certain awarding organisations. Ofqual's General Conditions of Recognition require the governing body of each awarding organisation to make a Statement of Compliance each year confirming whether, and to what extent, the awarding organisation is complying with the Conditions of Recognition.

During the year, the ACCA Qualification became recognised on the Barbados Accreditation Council framework and Foundation level qualifications were placed on the Scottish Vocational Qualifications framework, providing further quality assurance for our qualifications.

### Maintaining the highest standards

Ensuring that the conduct of our members and students meets the highest standards of professionalism and ethics is essential to our ongoing formal and market recognition. Through practice monitoring, ensuring compliance with the requirements of ACCA's lead regulators, and the



investigation of complaints and any resulting disciplinary action, we ensure that the public can rely on the quality and integrity of the ACCA brand.

In the past 12 months, we have completed a review of our entire disciplinary and regulatory processes with particular reference to independence, fairness, proportionality and the public interest which saw us introduce independent legal advisers to our disciplinary and regulatory arrangements with effect from January 2013.

### Market recognition

To achieve our vision, ACCA needs to ensure that its qualifications are recognised by employers across all sectors. We therefore continue to have a strong focus on enhancing market recognition, for example by ensuring the ACCA title is known, respected and in high demand by employers and the business community in general. We are able to deliver this through our markets presence around the world and our focus on the needs of employers.

This year, we have focused particularly on supporting finance transformation – including the ongoing development of shared service centres – and the CFO's agenda so we can better understand and respond to future challenges for the finance function.

We were pleased to retain very strong brand recognition scores in our latest employer survey, with:

- 93% (92% last year) saying ACCA is a respected brand
- 90% (94% last year) saying ACCA is a world-class organisation
- 89% (87% last year) saying they would recommend ACCA to other organisations, and
- 79% (69% last year) saying that the ACCA Qualification helps them grow their business with the skills and capabilities they need.

In addition, 59% of employers said that ACCA is a global leader in the profession – 47 percentage points ahead of our nearest internationally active competitor at 12% of share.

Extending our market network, we have focused on supporting the growth of the accountancy profession in Indonesia and Kazakhstan and strengthened our market-facing teams in Australia, Canada, the Middle East and the USA so we can further enhance our profile and reputation in these markets.

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# 59%

**OF EMPLOYERS SAID THAT  
ACCA IS A GLOBAL LEADER.**

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## MEMBER PROFILE



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**ACCA OFFERS A FEELING OF COMMUNITY, OF FAMILY, THAT IS SUSTAINABLE AND ACCOMPANIES YOU THROUGH YOUR LIFE AND CAREER. I BELIEVE THIS IS VERY DIFFERENT FROM ANY OTHER ORGANISATIONS OR QUALIFICATIONS YOU COULD HAVE. NOT ONLY DO YOU BENEFIT FROM CERTIFICATION AS A PROFESSIONAL ACCOUNTANT, YOU CONTINUE THE RELATIONSHIP AND WORK WITH THE WHOLE ACCA COMMUNITY.**

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**Li Xia**

*ACCA member – VP of finance  
service Volvo – Shanghai*

## MEETING THE NEEDS OF EMPLOYERS

Professional, ethical accountants with the complete range of skills required by any organisation globally.



ACCA works to ensure that ethics and professionalism run through the core of our qualifications, with students required to deal with challenging issues throughout all papers and with one exam paper (P1) dedicated to the issues of governance, risk and ethics.

In order for an individual to become an ACCA member, they must also first complete a Professional Ethics module, and to maintain membership must undertake continuing professional development (CPD) to ensure they develop and maintain the knowledge and skills needed in the business environment.

To ensure that ACCA members deliver a consistently high performance for their employers, we have developed a leading-edge CPD scheme, which fully meets standards released by the International Federation of Accountants (IFAC) and which requires them to complete an annual CPD declaration, backed up by evidence, by 1 January each year.

We regularly ask employers in all sectors what they want from a professional body and what skills they seek in potential members of the finance team.

In the annual survey of employers conducted in 2012, nearly 90% of respondents said the ACCA Qualification was relevant to all employment sectors.

For ACCA's research into the complete finance professional in which nearly 500 chief financial officers (CFOs) in China, Malaysia, Russia, the UAE and the UK were surveyed and asked what was important to them when it comes to appointing newly qualified accountants; what gave them confidence in their new hires; and what skills enabled them to grow their business, particularly since the financial crisis.

The resulting report *The Complete Finance Professional: Why breadth and depth of finance capability matter in today's finance function*, showed that more than 80% of respondents thought that a complete understanding of the finance value chain – from budgeting to external reporting – and how all this fits together, was critical, while 96% said newly qualified finance professionals should know about financial management; and 94% said it was important to have a good understanding of professionalism and ethics.

On the issue of sustainable business growth, 76% said it added value to their business for their finance professionals to have the complete finance knowledge and skills set, from both financial and strategic management accounting.

Following on from this work, ACCA unveiled an online competency framework, highlighting the ten key competencies finance professionals must have if they are to succeed in business and their career. These are: professionalism and ethics; governance, risk and control; stakeholder relationship management; strategy and innovation; leadership and management; corporate reporting; sustainable management accounting; financial management; audit and assurance; law and taxation.

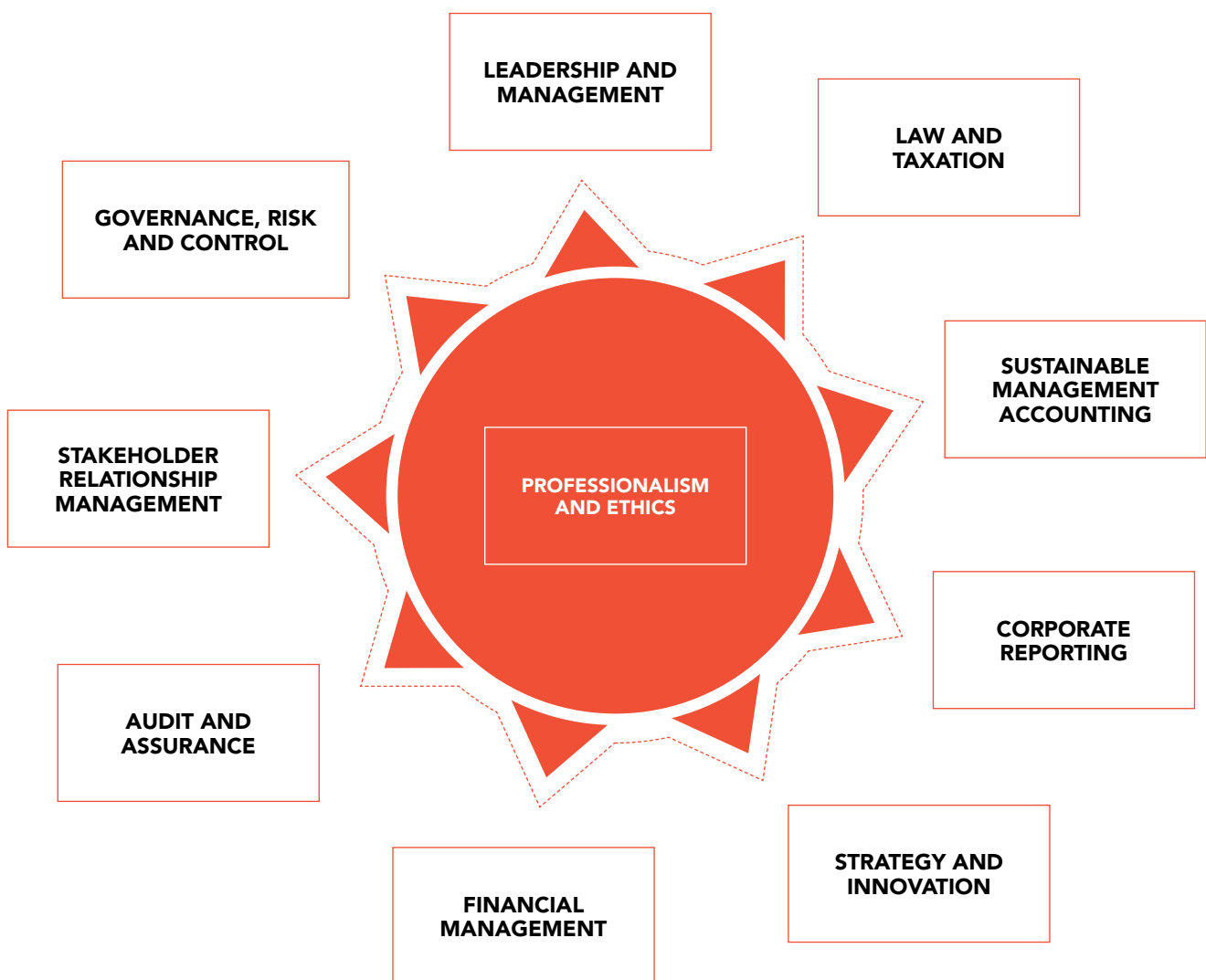
The framework is designed to enable employers, learning providers and current and potential students to see the key competencies which are acquired through the ACCA Qualification and how they relate to the requirements of different jobs.

# 90%

**OF EMPLOYERS SAID THE ACCA QUALIFICATION WAS RELEVANT TO ALL EMPLOYMENT SECTORS.**

The ACCA competency framework – the complete finance professional

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## PARTNERSHIPS

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A global network of accountancy partnerships that bring value to our global membership.



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### 80 global accountancy partnerships

Successful partnerships are an essential component of our business model, given that we rely on accountancy bodies, learning providers and employers to help create ACCA members and support them throughout their careers.

We further extended our range of accountancy partnerships during the year with particularly notable additions being:

- a global strategic partnership with the Institute of Management Accountants (IMA). Our wide-ranging agreement focuses on research and insights collaborations, CFO forums, joint chapter events and working together to increase awareness and adoption of our respective certifications
- a new Foundations in Accountancy Joint Examination Scheme with the Malta Institute of Accountants
- a renewed Joint Examination Scheme with the Institute of Chartered Accountants of Belize

- new Memorandums of Understanding with the Philippine Institute of Certified Public Accountants (PICPA) and the Myanmar Institute of Certified Public Accountants (MICPA). This the first MoU MICPA has entered into with an international professional body.

### Employer relationships

Our market-facing teams have worked closely with employers around the world – particularly those most likely to drive global demand for professional accountancy qualifications – over the past year. Having built an unrivalled network of dedicated business relationship managers, we are able both to meet local needs and collaborate to deliver regional and global solutions for multinational employers.

### Investing in our relationships with learning providers

Following on from the extensive work we have undertaken with employers, we have worked to deepen relationships with our global network of learning providers, both to enhance and extend learning provision and to work together more effectively to support students through to qualification.

During the year, we undertook opinion research with 67 learning providers in 18 countries around the world to understand the needs and priorities of these key delivery partners.

Face-to-face engagement with learning providers included dedicated ACCA conferences in Kenya, the UK and our first-ever conference in the MENASA region, hosted in Bangladesh.

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**TOGETHER ACCA AND IMA HAVE COLLABORATED ON FOUR EDITIONS OF THE QUARTERLY GLOBAL ECONOMIC CONDITIONS SURVEY - THE LARGEST SURVEY OF FINANCE PROFESSIONAL OPINION ON THE GLOBAL ECONOMY IN THE WORLD - A SERIES OF FOUR JOINT CFO ROUNDTABLES HELD IN MOSCOW, NEW YORK, SHANGHAI AND ZURICH WHICH RESULTED IN A JOINT REPORT ON THE CHANGING ROLE OF THE CFO, THE 100 DRIVERS OF CHANGE (SEE PAGE 27) AND INITIATED THE FIRST OF A REGULAR SERIES OF FINANCE LEADERS' SURVEYS.**

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## LEADING AND SHAPING THE AGENDA OF THE GLOBAL PROFESSION

A global programme of research and insights which supports and enhances sustainable business practice.



Key Performance Indicator:

# 42.4%

**OF EMPLOYERS SAY OUR RESEARCH AND INSIGHTS WORK PROMOTES PUBLIC VALUE.**

Other relevant measures:

- **11,789** global press mentions, 2,460 (21%) for our research and insights work

ACCA continues to seek to influence professional developments by engaging actively in key debates affecting the work of our members, communicating a distinctive view based on our global character. Through a series of technical and research outputs on a wide range of topics, we aim to cater for the needs of a fast-evolving global profession.

Our global programme of research and insights explores key themes which we believe are critical to the future of business and the profession. During the year, we produced 42 new reports and publications in these areas and held a number of high-level events:

### Access to finance – key outputs

Access to finance is the key challenge faced by SMEs around the world and is a key plank of our small business agenda.

This was highlighted when ACCA issued a call for G20 leaders to offer more support to SMEs in gaining access to finance, while a report entitled *High growth SMEs: understanding the leaders of the recovery*, discussed the challenges that growth oriented entrepreneurs faced in the US, European and BRICSA economies.

An *Accountants for small business* campaign, launched in March 2013, looked at the critical role which finance professionals can play in SMEs, including in the area of enabling them to access finance, and this was a theme which had been followed earlier in the first

UK Alternative Finance conference, which was organised and hosted by ACCA and addressed by Jo Swinson MP, Minister for Employment Relations and Consumer Affairs in the Department for Business, Innovation and Skills (BIS).

In recognition of his track record of championing the needs of the sector, particularly in the area of access to finance, Robin Jarvis, ACCA's special adviser on small business issues, was awarded the British Accounting and Finance Association (BAFA) Lifetime Achievement award this year.

### Audit and society – key outputs

ACCA has been at the forefront of debate about the role of audit, particularly in the light of the financial crisis and has highlighted issues around the world.

In September 2012, we organised a roundtable event at the European Parliament in Brussels to review the far-reaching proposals put forward by the European Commission on the future regulation of audit work in Europe. The event was attended by 200 guests, including representatives from the profession and business groups, and was hosted by Sajjad Karim, the MEP who has led the European Parliament's official response to the proposals.

In partnership with the Accounting and Corporate Regulatory Authority of Singapore we undertook two studies on the value of audit to business in the Asia Pacific region.

### **Corporate reporting – key outputs**

ACCA supported a UK-wide series of roundtables on integrated reporting, organised by the Consultative Committee of Accountancy Bodies and the International Integrated Reporting Council. We also undertook a wide ranging survey among US investors on the issues of adoption of IFRS in the United States, and working in partnership with Deloitte, the Global Reporting Initiative and Lodestar held an inaugural UK conference on non-financial reporting, featuring speakers from the Aldersgate Group, the Carbon Disclosure Project, The Cooperative Group, HSBC, Marks & Spencer and the UK Sustainable Investment and Finance Association. ACCA also worked closely with the Shanghai Stock Exchange on an in depth study into corporate governance disclosures in listed company reports.

### **Environmental accountability – key outputs**

We participated at the UN Conference on Sustainable Development (Rio+20) in Brazil including at two side events. We held a joint event with Aviva on sustainable stock exchanges with a panel comprising ACCA's vice president and representatives from Aviva, Banco do Brasil, the Istanbul Stock Exchange and UNPRI and also took part in the *Natural Capital Declarations Roadmap to Account for Nature* event with panellists from the Carbon Disclosure Project, PwC and IIRC.

We also produced a number of reports, including two far-reaching publications, *The green economy: pushes and pulls in corporate China*, which created a great deal of interest in the country and *Is natural capital a material issue?* produced in partnership with KPMG and Flora and Fauna International.

### **Finance transformation and the CFO's agenda – key outputs**

ACCA has been closely involved in the challenges and opportunities presented by finance transformation. Among our activities were the production of influential reports. These included *Building a better business through finance diversity* where contributors including finance leaders from Axiata, Deloitte, GE Healthcare, IBM and Marsh & McLennan companies highlighted how they harness diversity within their finance functions and the competitive edge it provides to them; and the *Finance leaders on sourcing success* report which showcased the views of CFOs around the world on the development of finance shared service operations, featuring contributions from Accenture, AOL, EY, GE, Kimberly-Clark, KPMG, Microsoft, Sony Pictures and Standard Chartered Bank.

ACCA organised three joint ACCA/Economic and Social Research Council workshops on diversity held in Delhi, London and Shanghai, and in partnership with HSBC organised a debate in London on diversity in the boardroom with a panel comprising Helen Brand, ACCA's chief executive, Russell Picot, HSBC's group chief accounting officer, and Pamela McIntyre, partner at KPMG UK.

We also looked at how the landscape was changing for finance leaders, running a joint ACCA/IMA report on *The changing role of the CFO* and holding a series of CFO-focused events, including our first CFO conferences in Botswana and Uganda, our first regional CFO Summit for Asia Pacific, hosted in Hong Kong, a series of roundtables in Beijing, Shanghai and

Shenzhen exploring the challenges for today's CFO in China, and our fifth annual ACCA CFO European Summit in Poland. We also held joint ACCA/IMA CFO roundtables in Moscow, New York, Shanghai and Zurich.

### **Drivers of change**

A joint ACCA/IMA futures study, *100 drivers of change for the global accountancy profession*, was published in September 2012 showing how business and the accountancy profession should prepare for future pressures and respond to the unprecedented challenges of a volatile global economy. The report was the result of a joint survey of ACCA and IMA members and input from 30 members of ACCA's Global Forums.

During the year we published substantial papers on a wide range of other technical issues. *Taking stock of PPP and PFI around the world* considered how the global financial crisis was prompting governments to seek new forms of financing to support sustainable public services, and reviewed how governments in different countries were approaching public private partnership (PPP) and private finance initiative (PFI) schemes. In *Protecting stakeholder interests in SME companies*, we looked at how different countries are now seeing the role of accounting and disclosure rules in protecting the interests of stakeholders, and whether, in the absence of such rules, alternative forms of safeguards exist in their place.

As part of our ongoing campaign on the public value of the profession, we published our report *Closing the value gap* in September 2012, which explores what the accountancy profession needs to do to build and maintain trust. The report surveyed accountants, consumers and key opinion leaders from around the world, helping to generate dialogue on how the profession can contribute to rebuilding trust in the financial system.

Working closely with our network of technical Global Forums, we also submitted written representations on 64 technical issues during the year, including these prominent items:

- the consultation launched by the International Auditing and Assurance Standards Board on the future shape of auditor reporting
- the conceptual framework published by the International Public Sector Accounting Standards Board
- plans put forward by the International Ethics Standards Board for Accountants for extending the obligations of accountants to report illegal acts
- the review of IFRS for SMEs initiated by the International Accounting Standards Board
- EU proposals for redressing the gender imbalance on listed company boards
- the revision of the sustainability reporting guidelines issued by the Global Reporting Initiative (GRI)
- the deliberations on the future of UK GAAP, and
- proposals from the Hong Kong Stock Exchange in respect of environmental, social and governance (ESG) disclosures.

#### **Representation on influential forums**

We also continue to influence the agenda of the profession through direct participation in the work of many of the leading accountancy and business bodies around the world. ACCA is represented on the Council of the International Integrated Reporting Council (IIRC), and on the General Assembly of the European Federation of Accountants (FEE). At the more technical level, ACCA participates in all the working groups of FEE, on the audit, financial reporting and SME groups of the European Federation of Accountants and Auditors for SMEs (EFAA), on the public sector committee of the Confederation of Asia Pacific Accountants (CAPA), on the technical committee of the Climate Disclosure Standards Board (CDSB) and on the stakeholder council of the Global Reporting Initiative (GRI). We are also represented on the European Financial Reporting Advisory Group (EFRAG) and on the European Commission's expert groups on VAT. ACCA members sit on the board of the International Federation of Accountants (IFAC) and on the International Auditing and Assurance Standards Board (IAASB).



## Conferences and events

### Accounting for the future global virtual conference:

In October 2012, we held a week-long virtual conference that explored the role that accountants are playing in building a stronger and more sustainable global economy. The online platform attracted nearly 16,500 delegates, who were able to view a mixture of live webinars, recorded panel sessions and online workshops that addressed topics such as risk management, new business models, the role of SMEs, the green economy, investor engagement and corporate reporting. Registered viewers came from 142 countries, viewing almost 22,000 hours of content.

### ACCA international public sector conference:

In December 2012, we held our fourth international public sector conference on the theme of *Rebalancing the economy – boosting growth*. The conference addressed the various challenges facing government and public sector bodies generally in the light of the prevailing economic climate. Eminent speakers at the event included the deputy director for the Institute of Fiscal Studies (IFS), the chief economist for the Scottish Government and the economist for the Fiscal Affairs section of the International Monetary Fund (IMF).

In addition, ACCA has been active in leading and shaping the international agenda on many specific issues. Staff and volunteer representatives have promoted ACCA's interest around the world on issues such as IFRS, environmental taxation, the green economy, public private partnerships and the public value contribution that accountants are making to combat money laundering.

### Building the profession around the world

We have made substantive contributions to strengthening the accountancy infrastructure around the world through an increased focus on consultancy projects. Key initiatives have included:

- designing the new accountancy qualification for Singapore, which was launched in June 2013
- working with AARC Consulting to deliver two projects in Albania (to develop the legal framework for corporate financial reporting and improve standard setting and supervision of audit through an audit oversight system), both funded by the World Bank
- a report looking at the role of accountants in aiding economic development which was launched at the 13th session of the United Nations Conference on Trade and Development (UNCTAD) in Doha in April 2012
- working with UNCTAD-ISAR to support capacity building by contributing to an assessment methodology framework that has been piloted in Brazil, China, Croatia, Ivory Coast, Mexico, the Netherlands, Russia, South Africa and Vietnam
- workshops on the contribution that accountants can make to the efficient management of the health sector in Ghana and Zambia, both of which were attended by the deputy ministers for health in those countries.

## MEMBER PROFILE



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**THE BEST THING ABOUT HIRING PEOPLE WITH ACCA QUALIFICATIONS IS THAT IT MAKES YOUR LIFE VERY EASY - YOU KNOW WHAT YOU ARE GOING TO GET. YOU KNOW THE PEOPLE THAT ARE COMING TO YOUR ORGANISATION... THEIR BACKGROUND... THEY HAVE BEEN WELL TAUGHT... THEY ARE PROBABLY THE BEST YOU CAN GET IN THE INDUSTRY.**

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**Lanre Osinoiki**  
*Managing director/ Group CEO,  
Ocean and Oil Holdings, Nigeria*

## BEST-IN-CLASS PRODUCTS AND SERVICES

Relevant products, services and brand.



Key Performance Indicators:

# 75.6%

**CUSTOMER SATISFACTION  
(77% MEMBER SATISFACTION,  
75% STUDENT SATISFACTION).**

- 84% of IT service level agreements met
- 81% of service delivery service level agreements met

Other relevant measures:

- 74% of members and 70% of students say ACCA provides good customer service
- 73% of members and 76% of students say ACCA is easy to do business with online

During the year, we moved more of our services and products online as we continued our journey towards becoming a truly digitally enabled organisation.

*My Development*, a new online CPD section of our website, went live in October 2012. The redesigned area includes new features to make it easier for members to find both online and face-to-face CPD such as the ability to filter content by technical topic, delivery format and location.

*My Experience*, a new product for students to plan and record the achievement of their practical experience for membership online, was launched in April 2012. The new tool was created with direct input from some 200 customers in markets around the world, placing their preferences at the heart of the design process. The ease of recording experience is not only a benefit to students – it also enables us to track students' readiness for membership better.

We developed a student planner app for iPhone and Android. This new tool enables students to organise effectively their study and exam schedule and was, within three weeks of launching, the highest ranked finance app in iTunes, with over 10,000 downloads.

The second phase of removing paper from our key student processes was completed in August 2012, moving

students in China, the Czech Republic, Malta, Oman, Poland, Russia, Slovakia, South Africa and the UAE to completely online processes. As a result of this activity and other initiatives, such as installing self-service terminals in key offices, 95.7% of our students now register with us online and 88% of students enter exams online.

We also continued our move towards continuously available transactional customer service, introducing centralised email and telephony for students and members in Cambodia, Ghana, Mauritius, Pakistan, Russia, South Africa, Trinidad & Tobago, Ukraine, the UAE and Vietnam. This means more of our customers benefit from round-the-clock telephone and email services, with calls charged at local rates. We also recruited four regional customer services managers (covering Asia Pacific, Europe and the Americas, MENASA and sub-Saharan Africa), to provide a valuable link between in-market delivery and headquarters service functions.

We know, however, that our web service during peak periods is still not good enough, particularly the stability of the MyACCA portal. We have eliminated some long-standing issues that had been impairing performance of the portal and now have processes in place actively to manage its stability during peak demand periods.

## OUR PEOPLE

Employees who understand their contribution to our strategy.



Key Performance Indicators:

# 85%

**OF EMPLOYEES SEE THE CONTRIBUTION THEY MAKE TO ACCA'S STRATEGY.**

- **652.5** on the Best Companies index (One to Watch organisation)
- **62%** of employees have the stakeholder information they need

Key facts:

- **1,083** employees globally
- **9.75%** voluntary turnover

You can find more people and employee engagement metrics in our online Corporate Social Responsibility statement.

The Best Companies employee engagement index is the main barometer we use to gauge the happiness of our employees in their roles and their commitment to ACCA as an organisation.

While we did not meet our aspiration of becoming a One Star company on the index this year, we achieved our best ever response to an employee survey of 81.6% (71.6% in 2011-12). We remained a One to Watch company on the index and increased our score to 652.5 (from 635.9 in 2011-12). Increased levels of engagement were seen across every directorate and it was especially pleasing that we saw the highest increases in scores in the Giving Something Back (contributing to the local community and wider society) and My Manager (how effective and supportive employees believe their manager is) categories – both areas on which we have focused improvements over the past year. Initiatives have included providing every ACCA employee with the opportunity to take one paid day per year for volunteering activities, and continuing to roll out our *Inspirational Manager* programme across the organisation.

In addition, 85% of employees said they can clearly see the contribution they make to ACCA's strategy (compared with 81% last year).

Less positively, we have seen scores for the ease of obtaining information on stakeholders decrease to 62% (from 64% last year) and plan to address this through the launch of an improved, social intranet solution in 2013-14 which will become our principal platform for global knowledge sharing.

**WE REMAINED A ONE TO WATCH COMPANY ON THE INDEX AND INCREASED OUR SCORE TO 652.5 (FROM 635.9 IN 2011-12).**

## MEMBER PROFILE



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**BDO AND ACCA HAVE SIMILAR CORE BELIEFS... INTEGRITY IS ABSOLUTE AND WE NEED TO ACT ETHICALLY AND IN THE PUBLIC INTEREST. ACCA MEMBERS WILL HELP THE ORGANISATION AND NOT COMPROMISE ON INTEGRITY OR WORK QUALITY.**

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**Jocelyn Goh**

*Audit and assurance partner at  
BDO LLP , Singapore*

## OUR FINANCIAL PERFORMANCE

Our key performance indicator for financial performance is gross operating surplus. Measuring at that level allows us to ensure that there is transparency of the financial results from our ongoing business, prior to accounting for our strategic investment expenditure and other items which are accounted for in arriving at our net surplus.

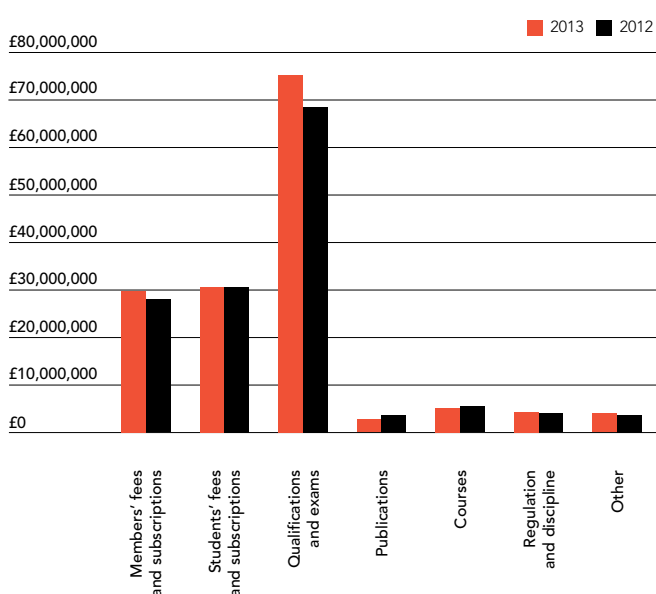
### Summary of financial performance – income and expenditure

	Actual result at March 2013 (£m)	Prior year result at March 2012 (£m)
<b>Income</b>		
Fees and subscriptions	64.2	62.0
Operating activities	87.5	81.7
<b>Total income</b>	<b>151.7</b>	<b>143.7</b>
<b>Expenditure</b>		
Operational costs	(129.3)	(123.5)
<b>Total expenditure</b>	<b>(129.3)</b>	<b>(123.5)</b>
<b>Gross operating surplus</b>	<b>22.4</b>	<b>20.2</b>
Strategic investment expenditure	(11.9)	(14.7)
<b>Net operating surplus</b>	<b>10.5</b>	<b>5.5</b>
Net investment income	0.8	0.7
Tax	(0.1)	(0.1)
Pension curtailment gains	–	7.3
Pension losses	(1.4)	(15.4)
Other comprehensive income	4.9	2.4
<b>Net surplus</b>	<b>14.7</b>	<b>0.4</b>

### Income – overall growth 5.6%

Overall growth in our member and student numbers contributed to increased income from fees and subscriptions. Income from qualifications and examinations has grown in response to an increased number of entries for the examinations, and in response to increased income from exemptions. Other income streams have remained relatively level year-on-year.

### Operating income



### Expenditure – overall growth 4.7%

Our financial planning process aligns expenditure with strategic outcome and this, combined with our focus on cost consciousness and value for money, has enabled cost growth to be restricted to less than income growth.

### Gross operating surplus – £8.8m higher than target

Gross operating surplus is essential to enable ACCA to invest in a range of strategic initiatives to deliver improved services to customers and to further ACCA's position in key employment markets around the world.

Gross operating surplus exceeded target primarily due to the release of unused budgeted contingency funding which was held to provide mitigation against financial risks arising from an uncertain global economic environment and risks arising from volatility in the pension fund.

### Strategic investment expenditure

During the year, we invested nearly £12m in development programmes to deliver a wide range of improvements to services provided to our customers, and further to strengthen our position in key development markets. Such investment is essential to maintain our competitive position and to underpin sustainable growth.

### Other income and expenditure items

Investment income is earned on cash deposits held with a range of financial institutions and on dividends received from the investment portfolio. Pension losses are the net actuarial losses arising on our defined benefit pension schemes in the UK and Ireland. As for many organisations, movement on pension losses tends to be volatile in response to movements in corporate bond yields in the open market. ACCA's defined benefit schemes will close on 31 July 2013 and future pension provision will be through a defined contribution scheme. Other comprehensive income includes the revaluation of property (£1.6m) and investments (£3.4m) at the year-end, net of the related deferred tax on the potential investment gains.

### Net surplus

A net surplus of £14.7m for the year was achieved, due to an improved margin and release of contingency held to cover financial risks and pension volatility.

### Summary of financial performance – balance sheet

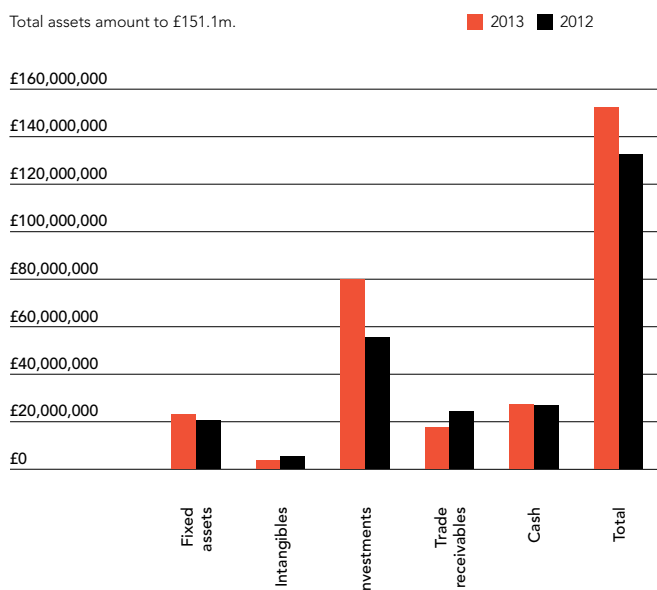
	March 2013 £m	March 2012 £m
Non-current assets	74.7	51.1
Current assets	76.4	73.9
<b>Total assets</b>	<b>151.1</b>	<b>128.0</b>
Non-current liabilities	20.6	20.0
Current liabilities	89.7	81.9
<b>Total liabilities</b>	<b>110.3</b>	<b>101.9</b>
Accumulated fund	24.4	14.6
Other reserves	16.4	11.5
<b>Total funds and reserves</b>	<b>40.8</b>	<b>26.1</b>
<b>Total reserves and liabilities</b>	<b>151.1</b>	<b>128.0</b>

Council has a long-term target to build the accumulated fund to 60 days of operating expenditure. At March 2013, the accumulated fund represented 46 days of operating expenditure.

OUR FINANCIAL PERFORMANCE | CONTINUED

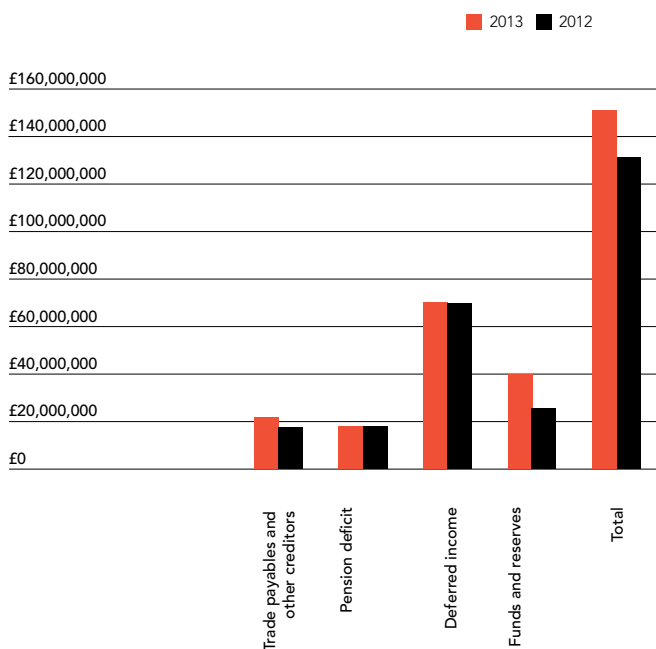
**Total assets**

Total assets amount to £151.1m.



**Total reserves and liabilities**

Total reserves and liabilities amount to £151.1m.



During the year, a further £15m of funds was invested in our investment portfolio. This, combined with strong growth in the investment portfolio and growth in certificates of deposits, increased overall investments to £80.1m. The value of trade receivables has fallen due to the implementation of online transactional processes which have accelerated payment of fees.

The main growth in reserves and liabilities has been in the accumulated fund, which has increased by the net surplus of £14.7m. Other reserves and liabilities are consistent with prior year levels.

More detailed financial information is available in our consolidated financial statements, which may be obtained from: [www.accaglobal.com](http://www.accaglobal.com)



## MEMBER PROFILE



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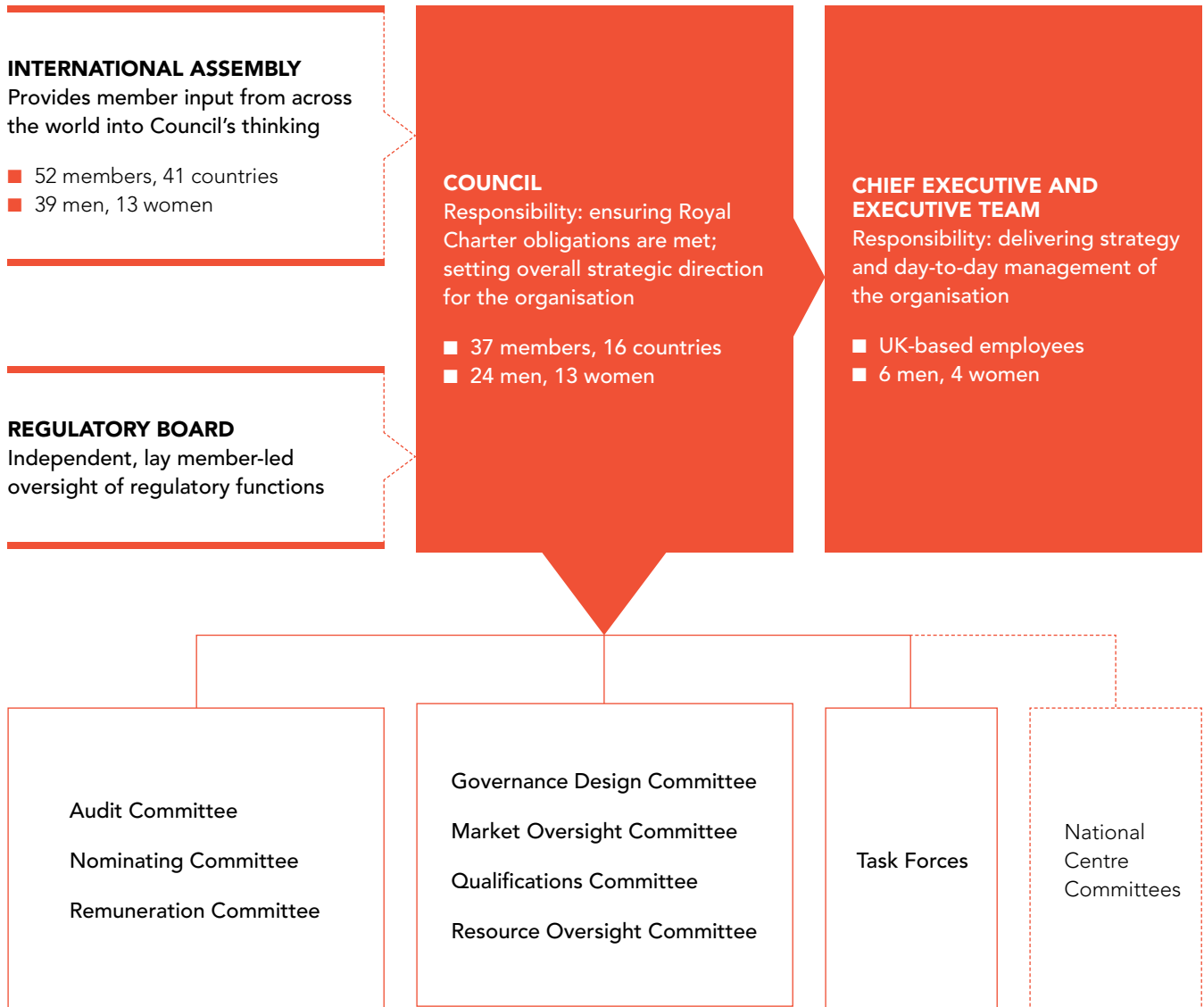
**AS A GLOBAL ORGANISATION, ACCA IS WELL POSITIONED TO CAPTURE, CONNECT, SUMMARISE, ANALYSE AND SHARE BUSINESS ISSUES AMONG MEMBERS. I THEREFORE BELIEVE ACCA HAS HELPED MANY MEMBERS AND STUDENTS TO ADDRESS ISSUES NOT ONLY LOCALLY BUT ON A GLOBAL BASIS.**

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**Gabriel Wong**

*Partner, head of China finance,  
PwC Shanghai*

# OUR GOVERNANCE



#### **Officers (elected September 2012)**

Barry J Cooper FCCA  
President

Martin Turner FCCA  
Deputy President:

Anthony Harbinson FCCA  
Vice President

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#### **Executive Team**

Helen Brand OBE  
Chief Executive

Judith Bennett  
Director – Service Delivery  
(from September 2012)

Alan Hatfield  
Director – Learning  
(from April 2012)

Steve Heathcote  
Executive Director – Markets

Raymond Jack  
Executive Director – Finance &  
Operations (from January 2013)

Peter Large  
Executive Director – Governance

Jasmine Lassen  
Executive Director – Strategy

Clare Minchington  
Executive Director – E-Delivery

Darren Parris  
Executive Director – People

Neil Stevenson  
Executive Director – Brand

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#### **Non-executive advisers to the Chief Executive:**

Julia Bond  
Barrie Jackson

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**WE ARE PROUD OF HOW THE DIVERSITY OF OUR GOVERNANCE REFLECTS OUR CORE VALUES AND THE GLOBAL SPREAD OF OUR MEMBERSHIP. IN NOVEMBER 2012, THIS WAS FURTHER STRENGTHENED WHEN COUNCIL CHOSE TO CO-OPT ITS FIRST EVER MEMBER – JAPHETH KATTO FCCA, CHIEF EXECUTIVE OF THE CAPITAL MARKETS AUTHORITY OF UGANDA AND A MEMBER OF THE IFAC BOARD – TO ITS RANKS.**

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During the year, the Executive Team was extended with the addition of two senior staff – the directors of learning and of service delivery – in order to release executive resource into e-delivery and assist with the transition to new leadership of the Markets and Finance & Operations functions.

Council has been holding regular meetings outside the UK since 2008 and this year saw its first visit to Africa, as a collective governing body, with its June 2012 meeting taking place in Nairobi, Kenya. This provided an opportunity for a programme of widespread engagement with ACCA members, national professional bodies, employers and other key stakeholders across East Africa, with visits to Ethiopia, Tanzania and Uganda, at what is an important stage in the development of the African economy. March 2014 will see Council visit Dubai, as part of its ongoing outreach with ACCA's global community of stakeholders.

You can view more information on our governance arrangements at: [www.accaglobal.com/en/discover/about/our-governance.html](http://www.accaglobal.com/en/discover/about/our-governance.html) and details of how we have complied with prevailing codes regarding governance and remuneration in 2012-13 are in our corporate governance statement at: [annualreport.accaglobal.com/assets/pdf/acca-annual-report-corporate-governance-statement.pdf](http://annualreport.accaglobal.com/assets/pdf/acca-annual-report-corporate-governance-statement.pdf)

## OUR RISKS

**THIS YEAR HAS SEEN US REFRESH OUR APPROACH TO RISK IDENTIFICATION AND MANAGEMENT, WHICH HAS INCLUDED A COMPREHENSIVE REVIEW OF THE RISK REGISTERS HELD BY EVERY DIRECTORATE AND OUR CORPORATE-LEVEL RISK REGISTER.**

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We have begun to clarify our risk appetite, better defining the level of risk we are willing to accept in pursuit of ACCA's objectives. In framing our risk appetite, we accept that risk is inherent to any ambitious organisation's plans.

In relation to our market coverage, we recognise that we must incur measured and sensible risk in order to take advantage of those opportunities that will enable us to deliver our strategy, particularly in relation to cementing and extending our global footprint. However, we also have a wide range of operational risks where our risk appetite is driven by different considerations: the need to adhere to the highest quality standards, to satisfy the expectations of regulators,

and to ensure there is integrity in our processes for qualification and membership regulations. Here, we need to ensure that we have rigorous systems, checks and balances and that we maximise our efforts to reduce and mitigate against risks in failings or issues with quality.

Our most significant corporate-level risks are listed below. These risks are considered by our Executive Team every month and a review of the impact and likelihood of each is carried out, along with analysis of controlled and planned actions. Each risk is owned by at least one Executive Team member, ensuring that it is given the high-level attention it merits. These risks are also reported to our Audit Committee.

Risk	Description/Impact	Mitigation
<b>Market</b>		
<b>RISK 1</b> Increased protectionist behaviour	We want to be able to operate throughout the world. If countries seek to limit our ability to do so, this undermines our promise of global mobility for our members.	We closely monitor developments across the world, primarily through an internal Recognition Review Group, which reports to Market Oversight Committee (a committee of Council) on matters of significance.  We also invest in relationship building activities with regulators and other professional bodies.
<b>RISK 2</b> Increased competition from other qualification types and career development paths	If more direct and indirect competitors enter the same markets and segments, we risk losing market share and brand recognition.	We employ a Business Intelligence team which leads on the production of information on the competitive environment, working with teams in our markets, which are shared around the organisation.  We monitor and review market performance against projected performance, analyse any variations and take action if necessary.
<b>RISK 3</b> Further global economic stagnation	A continued lack of worldwide economic growth risks us not growing our member and student base, thus hindering our ability to meet our strategic outcomes.	We maintain a balanced portfolio of markets so we are not over-reliant on particular types of economies for market share and growth.  We are investing in new markets to increase our market diversity and drive future growth.  We are also working to better understand what members value so we can maintain and build a level of loyalty to the ACCA brand that is resilient in difficult economic conditions.
<b>RISK 4</b> Loss of UK audit recognition	Failure to retain statutory recognition as a qualifying body and regulator of auditors in the UK risks a loss of status and reputation around the world.	We work closely with the Professional Oversight team of the Financial Reporting Council to ensure any of their recommendations are appropriately implemented.  We develop and issue the ACCA Rulebook.  We carry out high-quality practice monitoring activities.  We ensure that licences are issued in line with the ACCA Rulebook.  We ensure that any complaints regarding members are investigated in line with the ACCA Rulebook.
<b>Operational</b>		
<b>RISK 5</b> Exam process failure	A failure in the end-to-end exam process could result in reputational damage, financial cost and regulatory non-compliance.	We have a comprehensive range of policies and procedures that cover the whole end-to-end exams process.  We plan in advance to ensure that we can meet our timetable requirements.  We closely monitor the activities of our key suppliers.

## OUR RISKS | CONTINUED

Risk	Description/Impact	Mitigation
<b>Operational</b>		
<b>RISK 6</b> Changes in student behaviour as a result of e-delivery	Changes to our exam cycle as a result of more e-delivery are changing student behaviour regarding exam entry, scheduling and payment, risking less predictability over behaviour.	We closely monitor student exam behaviour to help us forecast behaviour patterns.
<b>RISK 7</b> Worldwide legislative complexity	The complexity of remaining up to date with changes in relevant legislation in the countries within which we operate may lead to potential litigation, fines and damage to reputation.	In 2012-13, we have put in place a regional operations framework to provide a watching brief on legislative developments and compliance.
<b>RISK 8</b> Incorrect pricing decisions	Our students come from all over the world and from a variety of backgrounds. In some countries, the ACCA Qualification is relatively expensive and price is therefore a factor we need to bear in mind in a changing global marketplace.  A lack of understanding of the price sensitivity of potential students to the pricing of ACCA's qualifications risks the loss of students to alternatives.	We use our annual student survey to monitor students' perceptions, including pricing and value for money.
<b>RISK 9</b> Cybercrime and data protection	As more of our services are provided online, there is an increased risk of cybercrime and potential loss of organisational data which may lead to legal liability and reputational damage.	We have adopted policies, procedures and standards to address the risks associated with data security and these are regularly reviewed, monitored and tested.  We also have an information security officer in place to monitor and advise on data security.
<b>RISK 10</b> Supplier failure	Failure of contractors to deliver to our expectation risks overall service failure, increased costs and reputational damage.	Our procurement and legal teams provide expert guidance to the organisation when entering into contracts.  Our contract management operating model has been approved by the Executive Team and is being rolled out across the organisation.  We have a scheme of delegated authority so that it is clear who is authorised to contract for what and under what limits.  We are reviewing our agreements with suppliers to ensure the contracts we have in place are appropriate to their contribution to ACCA's operations and have clear service level agreements, where appropriate.
<b>Financial</b>		
<b>RISK 11</b> Pension deficit increases	Further increases to the defined benefit pension fund deficit may lead the Trustees to request further employer contributions, putting pressure on cash flows.	We are working closely with external consultants to reduce volatility and funding pressures in relation to the scheme.

## CONCLUSION

ACCA's performance, as detailed in this report, should be read in the context of an increasingly complex external environment with growing competition in the professional accountancy field.

Mindful of the challenging environment, we deliberately set ourselves 12 tough corporate measures for the strategic year. Those we have achieved show that ACCA is financially strong, while customer service and IT performance show the benefits of investment made in recent years. While we narrowly missed our member target, we achieved a total increase of over 7,600 members, among our best ever performances for member growth.

There are challenges, and our growth plans for 2013-14 are a direct response to these. We will focus on sustainable growth, as well as planning for the longer term for our key growth markets, and look forward to working in partnership with a wide range of stakeholders to continue to develop the accountancy profession around the world.

Further information on our activities is available from the ACCA website [www.accaglobal.com](http://www.accaglobal.com)

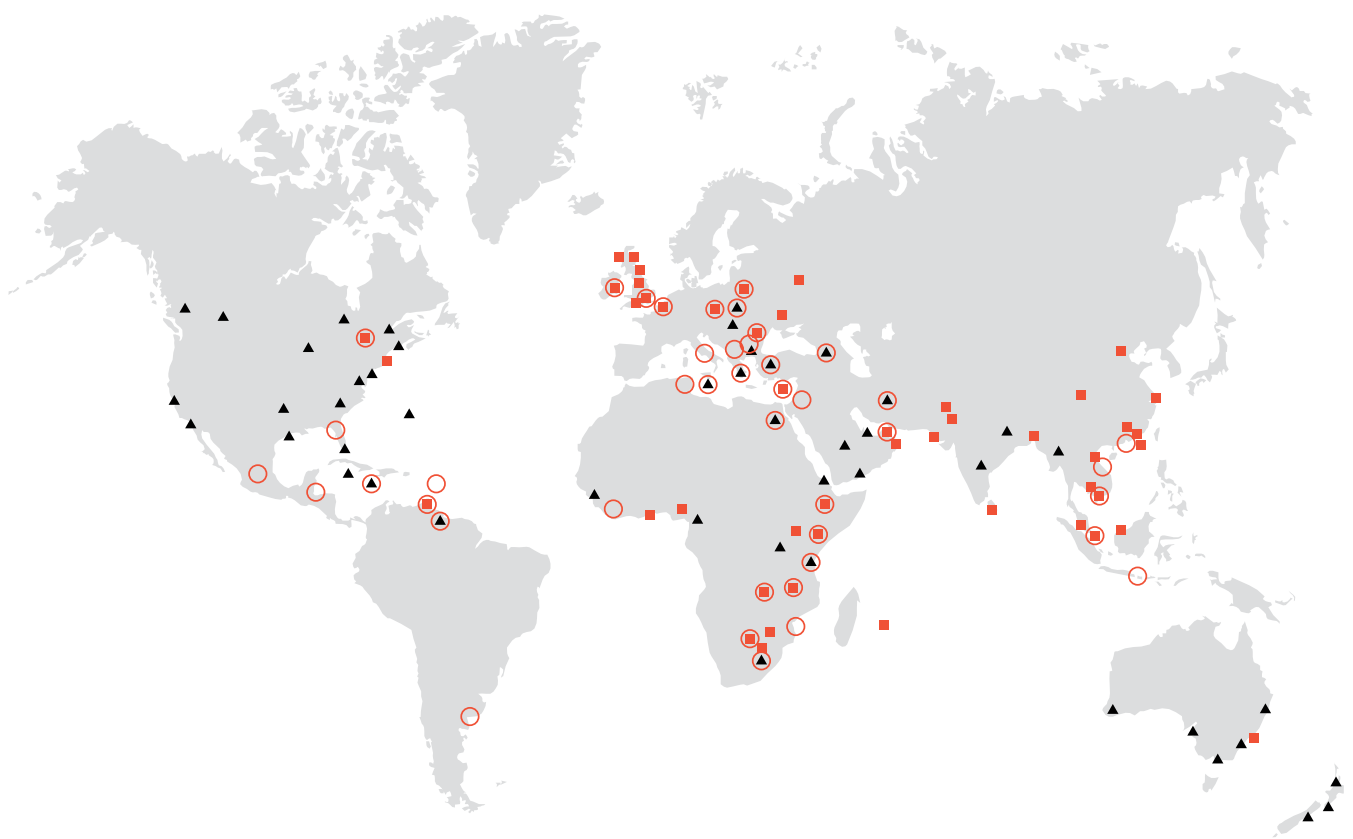
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**WE WILL FOCUS ON SUSTAINABLE GROWTH, AS WELL AS PLANNING FOR THE LONGER TERM FOR OUR KEY GROWTH MARKETS, AND LOOK FORWARD TO WORKING IN PARTNERSHIP WITH A WIDE RANGE OF STAKEHOLDERS TO CONTINUE TO DEVELOP THE ACCOUNTANCY PROFESSION AROUND THE WORLD.**

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## ACCA GLOBAL REACH

ACCA has a network of offices and centres, including partnerships, based around the world, as shown by the map below.



- ACCA staffed offices
- ▲ ACCA active centres
- ACCA global accounting partnerships and agreements





ACCA

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