



# Integrated report



Think Ahead

<b>1</b>	<b>About ACCA</b>	<b>4</b>
<b>2</b>	<b>About this report</b>	<b>6</b>
<b>3</b>	<b>Our 2019-20 highlights</b>	<b>8</b>
<b>4</b>	<b>President's message</b>	<b>10</b>
<b>5</b>	<b>Our value creation model to 2020</b>	<b>13</b>
<b>6</b>	<b>Chief executive's strategic report</b>	<b>16</b>
<b>7</b>	<b>Global context</b>	<b>23</b>
<b>8</b>	<b>Stakeholder engagement and materiality</b>	<b>30</b>
<b>9</b>	<b>Strategic performance in 2019–20</b>	<b>42</b>
<b>10</b>	<b>Risks and their management</b>	<b>64</b>
<b>11</b>	<b>Governance and leadership</b>	<b>69</b>
<b>12</b>	<b>Strategy to 2025, measures and targets</b>	<b>84</b>

**ACCA is a leading international professional accountancy body incorporated by Royal Charter in the UK. Founded in 1904, we were established as an alternative to the restrictive entry to the profession at that time, opening up opportunity for anyone of talent and ability to become a qualified accountant.**

Today we are a global community of 227,000 members and 544,000 future members supporting economic growth in 176 countries.

We believe that accountancy is a cornerstone profession of society that supports both the private and public sectors. That's why we're committed to the development of a strong global accountancy profession and the many benefits that this brings to organisations, individuals and society.

Our qualifications develop forward-thinking professionals with the financial and business skills essential for the creation of sustainable economies and flourishing societies. Every day, ACCA professional accountants support people and organisations in making sound decisions and doing the right thing. We build public trust by creating an inclusive profession with people from all backgrounds, bound by a common global code of ethics and committed to updating their skills to meet ever-changing needs.

For 116 years, being a force for public good has been embedded in our purpose, and this powers everything we do. Like offering everyone, everywhere the opportunity to access a rewarding career in accountancy. By working in partnership with emerging economies to establish their own professional accountancy organisations and grow their finance ecosystems. Through freely sharing our leading-edge research that answers today's questions and prepares us for tomorrow. And by supporting our global family of members, future members and partners, and developing the profession for the next generation.

We operate through a network of 110 offices and centres, across 52 countries, with a workforce of 1,435 employees globally.

## Our purpose

We're a force for public good. We lead the global accountancy profession by creating opportunity.

## Our values

**Inclusion:** we create opportunity for all. We remove artificial barriers, create connections and embrace diversity.

**Integrity:** we're ethical, honest and accountable, and encourage the same from others. We act in the public interest and focus on long-term value.

**Innovation:** we think ahead. We explore new ideas, creating solutions that ensure our community and the wider profession is ready for today and tomorrow.

# 2

## About this report



Think Ahead

**This year's report sets out how we are keeping ACCA strong, on behalf of our members and future members, through these unprecedented times. We believe ACCA's new strategy to 2025 provides a strong and relevant framework to enable us to respond to the challenges the Covid-19 global pandemic is posing for all of us.**

Our report also considers our progress over the lifetime of our strategy to 2020 and the foundations it has created for ACCA's future, in order to meet the needs of our members and our wider ACCA community. This is our ninth annual integrated report and the sixth prepared in accordance with the international <IR> framework (published by the International Integrated Reporting Council in December 2013). It's designed to give anyone whose success depends on ACCA – especially our members, future members, education providers and employers – insight into the strategic thinking that drives ACCA forward, encompassing our strategy, governance, performance and prospects in the context of our global environment.

### **Oversight and responsibility**

ACCA's Audit Committee scrutinises this report in detail, which our Council Board and then ACCA's governing Council approves. In this way, Council is ultimately responsible for ensuring the report's integrity. Audit Committee has confirmed that it has applied its collective mind to the preparation and presentation of this report and that, in its considered opinion, it is presented in accordance with the international <IR> framework.

### **External assurance**

In addition to assuring our detailed consolidated financial statements, our external auditor also provides assurance over our performance to Council, covering all our strategic outcomes.

### **Want more detail?**

We aim to keep this report concise, while covering everything required by the international <IR> framework. If you'd like to know anything that you can't find here, or you'd like to give us feedback, please contact us at [externalreporting@accaglobal.com](mailto:externalreporting@accaglobal.com)

# 3

## Our 2019-20 highlights

### Six major industry awards

#### Professional body of the year 2019

The Accountant/International Accounting Bulletin digital accountancy awards

#### Professional body of the year

MemCom membership excellence awards 2019

#### Accountancy body of the year

PQ Awards 2020

#### Best membership engagement strategy

MemCom membership excellence awards 2019

#### Thought leadership initiative of the year 2019 (for our report *How accountants can bridge the infrastructure gap, in partnership with CPA Canada*)

The Accountant/International Accounting Bulletin digital accountancy awards

#### Innovation in Accountancy award (for our student wellbeing hub)

PQ Awards 2020

### 81.3% satisfaction

for members and future members  
– highest in five years

### 48.3% key employers

preferring to recruit ACCA

### 92.3% learning providers

recommending ACCA as first choice

### New MyACCA

portals for members and future members

### Online practising certificate

application and renewal introduced

### Strategic Professional exams

first computer-based exams launched

### Computer-based exams

rollout to Applied Skills completed

# 4

## President's message



## Exceptional people for exceptional times

**As I write this, ACCA members around the world are coping with the most profound global crisis any of us have needed to face.**

**At these times, our individual and collective resilience is being tested as never before.**

Like many of you, I've drawn strength and inspiration from being part of our unique global community of professional accountants. The engagement we've seen with our range of member support and information, housed in the Covid-19 hub we launched in March, has been extraordinary. By the end of the performance year this report covers, nearly 500,000 had used its resources in some way. And in response to our consultation on the impact of the pandemic in March, we had a record of over 10,000 member responses.

We've asked you how best we can support you through the crisis and responded accordingly.

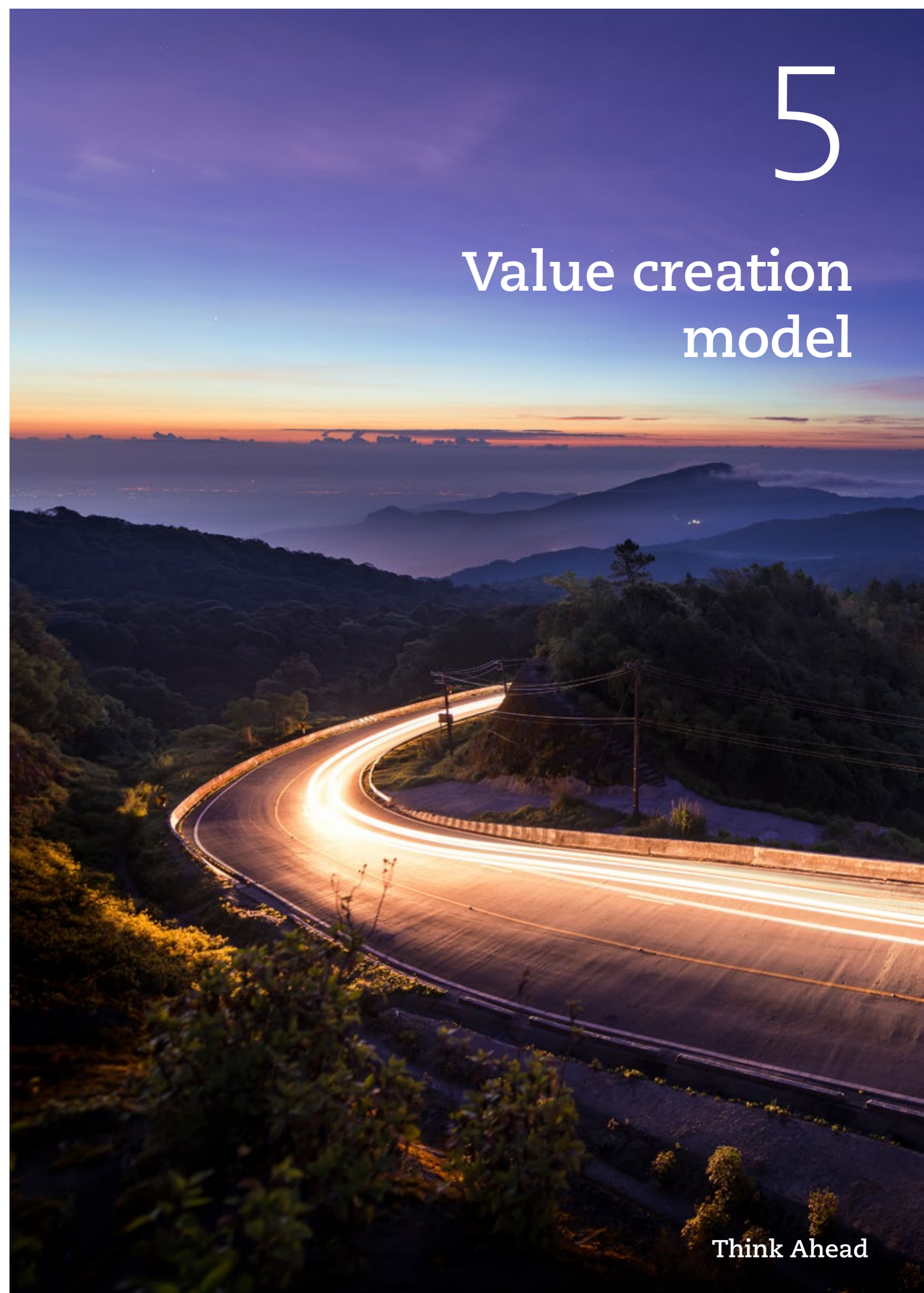
Members told us that the main resources they need are free and low-cost access to CPD, webinar and video content, and sector- and industry-specific information and guidance. As a result, ACCA is providing more free and discounted access to CPD than ever before. And in response to the desire for more webinars on relevant topics, we now have almost a webinar a day taking place globally or locally. To help find the resources most relevant during these challenging times, we have made enhancements to the CPD resource finder, including a filter to show only Covid-19-related resources. We've also increased our focus on wellbeing in that webinar range. Alongside this, we've enhanced the employability support available in our ACCA Careers resource. And we'll continue to consult members closely on how ACCA can best support you as we move toward a resumption of business activity around the world.

The crisis has reinforced that ACCA has developed an approach that equips us to deal with disruption and uncertainty. We've put in place structures and approaches that enable the organisation to be agile and flexible, not least in ACCA's future strategy. This strategy to 2025 – which Council approved in September 2019 – has been stress-tested in the most demanding of circumstances. And everything we are seeing so far has shown that it has the flexibility to adapt to volatile and unpredictable conditions. The introduction of the Council Board – which met for the first time in December 2019 – has also helped ACCA respond by enabling speedier and more agile decision-making in evolving circumstances.

As recovery begins, ACCA will be here for you, helping guide you and your organisations for the future. Supporting our members and future members will be our overriding priority in the coming year, and everyone at ACCA is focused on this objective.

Exceptional times call for exceptional professionals. And everything I have seen from those of you I've had the privilege of engaging with over my time as president has demonstrated that ACCA members have the skills, innovation and spirit to weather the current crisis. No one needs to do this alone – and that is the power of the global community to which we all belong and have built together.

JENNY GU, PRESIDENT







**1**  
Key resources

**2**  
How we create value through our strategy

**3**  
How this generates our difference of reach, relevance and resources

Societal impact

- ✓ **People**  
Employees and member volunteers
- ✓ **Partners**  
Learning providers, universities, employers, accountancy and other professional bodies
- ✓ **Intellectual property and brand**
- ✓ **IT infrastructure and digital capability**
- ✓ **Financial capital**

-  **Lead**  
Use our pre-eminent brand to influence the market
-  **Attract**  
Inspire people everywhere in the world to choose ACCA
-  **Sustain**  
Demonstrate the value of a lasting relationship with ACCA
-  **Develop**  
Grow our network to support our stakeholders to achieve their goals

- ✓ **Key outputs**  
A global network of partnerships that bring value to our global membership
- ✓ High-performing people across our operations and governance
- ✓ Ethical professional accountants with the skills required globally
- ✓ Widespread market and statutory recognition
- ✓ Best-in-class products and services

-  **The accountancy profession the world needs (ACCA's vision)**
-  **Efficient and effective organisations that are responsibly run**
- Public value**  
(supports UN Sustainable Development Goals 4, 8, 9, 11, 12 and 13)

- ✓ **Fees and subscriptions**
- Support**  
Supported by our investment in **customer-centred solutions, high-performing people, operational excellence and digitally enabled flexible delivery**

- ✓ **Key outcomes**  
Support and opportunities around the world
- ✓ Meeting the global demand from employers for a broad range of skills and a strong ethical compass
- ✓ Unrivalled global mobility for our members
- ✓ A distinctive contribution to the development of accountancy and business thought and practice globally
- ✓ Customer satisfaction

<b>4</b> QUALITY EDUCATION 	<b>8</b> DECENT WORK AND ECONOMIC GROWTH 
<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	<b>11</b> SUSTAINABLE CITIES AND COMMUNITIES 
<b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION 	<b>13</b> CLIMATE ACTION 



# 6

## Chief executive's strategic report



**In last year's report, I wrote about the unprecedented challenges ahead for professional accountancy bodies. While none of us could have envisaged the scale and impact of the Covid-19 pandemic, the resilience we've built in ACCA's operations over the course of our strategy to 2020 has been instrumental in helping us respond to this global crisis and the restrictions it has imposed.**

Digital investment has been at the core of our preparedness. Through innovations we'd already introduced or scoped out, as part of our multi-year digital transformation, we've been able to offer even more widespread services and support virtually. But we've also innovated quickly and as needed to respond to the changed environment. This has been particularly important in relation to exam sittings – which are essential to us meeting the brand promise we've made to future members and a core component of our financial sustainability.

While we needed to cancel a significant number of exam sittings in March, we were able to quickly mobilise to offer additional exams in markets emerging from lockdown. This has been a herculean effort by our exams team and also our delivery partner, the British Council. We continue to monitor the situation closely and very much hope we'll be able to safely run exams at a special July sitting in selected markets and also, as planned, from September. As a contingency, we've accelerated our existing plans for the remote supervision of exams to enable students to sit these at home or other safe locations. In doing this, we're prioritising security and rigour so the marketplace can continue to have complete confidence in the integrity of the ACCA Qualification.

The investment we've made in our key partnerships has also enabled ACCA to weather the crisis. Alongside the developments we've made to the ACCA Qualification over the course of the strategy to 2020, we've also focused on deepening relationships with learning providers. We've brought learning provider perspectives into the heart of our business model, working hand-in-hand to develop the capacity to teach to our new breed of exams and help learning providers develop their businesses.

During the year, we invested over £18m (against a budget of £19m) in strategic change, completing 45 major projects. A focus has been delivering real, tangible change to our members' and future members' digital interactions with ACCA, including moving ACCA exams online. Making these important investments has supported members' and future members' perceptions of value, and they have also been instrumental in enabling us to carry on operating successfully through the Covid-19 outbreak.

### Our progress in 2019–20

Our key 2019-20 projects included:



### New MyACCA members' portal launched

with positive feedback and high uptake. More than 220,000 members now have access to the portal, with CPD submissions increasing by 50% since it launched in November 2019



### Online application and renewal of Practising Certificates

introduced, reducing the time taken to renew certificates from three months to less than a week



### Digital marketing and communication platform

launched in March 2020, allowing us to tailor member and future member communications so that they are more targeted, personal and useful



### Rollout of computer-based exams to Applied Skills completed

in June 2019



### First computer-based Strategic Professional exams launched in March 2020

in selected locations in the UK, Ireland and the Czech Republic, marking a major milestone in our journey to provide students with a seamless digital experience throughout the ACCA Qualification



### Strategic Practice solution launched to the wave 1 markets

of the UK, Ireland and the Czech Republic – a free resource to aid students in preparation for Applied Skills and Strategic Professional CBE sessions



### New MyACCA student and affiliate portal launched

providing clear information and guidance that is easily navigated and provides a consistent and unified experience throughout the ACCA journey



### Russian language exams pathways successfully launched



### Introduction of Windows 10 and OneDrive

across the organisation, enhancing employee productivity and connectivity

## ACCA's voice and quarterly themes

In each quarter of 2019–20, we also focused on a key external theme, amplifying the power of the ACCA brand by demonstrating our relevance and leadership through one shared global voice. Through the quarterly themes, we've been able to deliver clear and consistent messages and outputs across all our markets on key issues of relevance to business and the profession. Our award-winning professional insights have been a core part of these campaigns, with 29 separate reports published during the year, together with new, free members' webinars on each theme. We'll be replicating this approach in 2020–21, as a way of enhancing both member value and market impact.

## Strategic progress

We've made strong progress over the course of the strategy to 2020. This year, we equalled our best overall performance against our balanced scorecard of measures, meeting four of the six strategic outcome targets, alongside all four internal targets set for our capability measures. In terms of development over the life of the strategy, we've seen significant increases in member and future member satisfaction and perceptions on the overall power and resonance of the ACCA brand, alongside solid member and future member growth.

But there are also areas of challenge as we embark on our new five-year strategy. While the Covid-19 outbreak has been the biggest factor impacting exams this year, we've seen a general trend of fewer exams being entered. We've also seen retention of both members and students gradually decline, with member retention falling 0.9% during the course of the strategy and student retention falling 2%. And while satisfaction has been on an upward trend, member recommendation has fallen by 0.6% over the life of the strategy.

All this very much points to a necessary focus on retention, student progression and advocacy as we move forward, and this has heavily informed our plans for 2020–21.

We want members and future members to appreciate the genuine benefits of being – and staying – a part of the ACCA community. And to achieve this, we recognise that we need to have a laser focus on member and future member value and support.

## Progress over ACCA's strategy to 2020

KPI	Measure	Start	End	Movement
<b>Vision</b>	# of members	169,602*	227,332	+34.0%
<b>Our difference</b>	Net operating surplus	£2.8m*	£2.3m	N/A
<b>Attract</b>	# of students and affiliates	435,824*	544,446	+24.9%
<b>Develop</b>	Progression	36.5% students passing exam in past year	34.7% students passing exam in past year	-1.8%
		68.5% affiliates achieving membership in four years	68.2% affiliates achieving membership members in	-0.3%
		709,931 (adjusted) exam entries	722,740 exam entries**	+1.8%***
<b>Sustain</b>	Member, student and affiliate satisfaction	70%**	81.3%	+11.3%
<b>Lead</b>	Brand power	80% of ten elements met**	80% of ten elements met	Elements measured from 2015-16. See detail in Lead table on page 56

\*Base period used: March 2014 file

\*\*Base period used: 2014-15 result

\*\*\*During the strategy to 2020, the structure of the ACCA Qualification was changed from 14 to 13 exams. To reflect this change, the starting figure has been adjusted to enable comparison across the strategy

## Areas of critical strategic focus in 2020–21

All this has informed our three areas of critical strategic focus for 2020–21. By delivering against these, we believe we'll enhance our resilience and ability to achieve our strategic aims – and, most importantly, help our members and future members weather the present storm. These focus areas are:

- **member and future member support and retention:** our members and our future members lie at the heart of our success and we'll take an agile approach to delivering value for all of them, strengthening our communications and offering the solutions they most need to meet their challenges
- **exam delivery and innovation:** we'll seek to run exams wherever and however we can, so that future members carry on progressing in their journey to membership, and we'll deliver the innovations we need to do this at pace
- **financial sustainability:** we'll practise a deeply cost-conscious approach in everything we do and continue to take proactive steps to plan for a range of scenarios with appropriate financial mitigations to keep ACCA strong.

We'll continue to keep members, future members and our partners informed and involved as we innovate to provide even greater value for all of them in the year ahead.

As a result of this focus, we are delivering to a reduced range of four critical targets this year, which are outlined on p92.

Since February 2020, when it became clear that the Covid-19 outbreak would have a significant impact on ACCA's revenue, we have been developing a range of scenarios for how its spread could affect ACCA's performance and creating action plans for responding.

While we ended 2019–20 in a healthy financial position, we have nevertheless felt resulting revenue impacts from the cancellation of exams in March and/or June in very many countries around the world, changing recruitment cycles and the pause in economic activity globally. We've taken wide-ranging action to ensure ACCA's financial sustainability and keep us in the strongest position to compete and deliver. We have repurposed activity to focus on additional digital

## Impacts on targets and budget for 2020–21

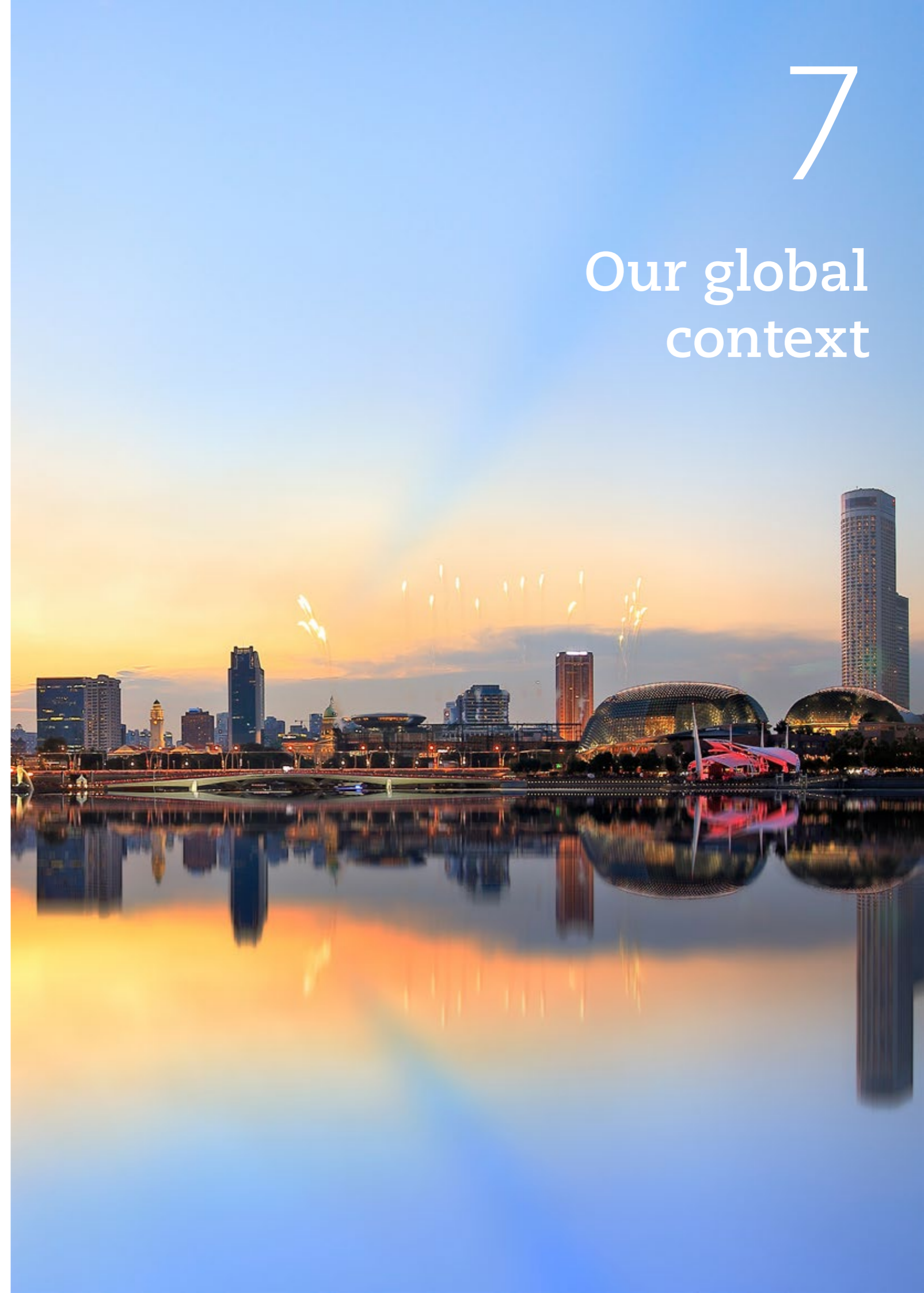
engagement and delivery, and delayed strategic investments that are not integral to our areas of critical strategic focus for the coming year. In terms of our people costs, salaries have been frozen, recruitment paused and bonus payments in respect of 2019–20 performance have been removed. To enable ACCA to continue developing for the future, we have agreed a target deficit before tax of £8.9m for the coming year. The shape of the recovery will determine how rapidly we can assume the trajectory we planned before the pandemic. But our underlying fundamentals remain strong and the progress we've made to 2020 has given us the flexibility to adapt quickly to meet changing needs.

None of this progress would have been possible without the support of our members, future members, learning providers, employers and other key partners. As we work towards strengthening ACCA's unique and powerful global community through our new strategy to 2025, all of us at ACCA thank you for being part of this. As we emerge from the crisis, society will expect professional bodies to act sustainably and fairly, and to contribute to the safety and security of our world. So the purpose of our profession is more important than ever. Our new purpose statement – 'We're a force for public good. We lead the global accountancy profession by creating opportunity.' – has never been more important than now. And, as we all emerge from the present crisis into better and safer times, we're committed to living up to this, on behalf of the members and future members we serve.

**HELEN BRAND OBE**, CHIEF EXECUTIVE



## Our global context



**As a global professional body operating across all sectors, we are impacted by external factors affecting every part of the global economy. This means we need to be agile and market-led in our response to conditions on the ground. But it also enables us to balance risk across a diverse portfolio of markets and divert resources, as and when needed, to combat challenges and realise opportunities.**

The work we carried out to inform our strategy to 2025, prior to the global pandemic, has helped us prepare for a world where even greater agility is demanded of us and online solutions and engagement are increasingly relied upon.

The ten key disruptors we identified to 2025 have greatly enabled a proactive response to the Covid-19 outbreak and its operational and economic consequences for ACCA, as well as helping set our longer-term direction:

## Ten disruptors to 2025 and anticipated impact on ACCA

### Technology

The future of work will be different, with robotic process automation (RPA) and machines taking over repetitive and programmable human tasks.

#### Pre Covid-19 outbreak

Artificial intelligence will also supplement human roles. Technology disruption will enable new business models to emerge. And as homes and workplaces become digital, organisations and education providers will need to anticipate and offer the skills required for the workplace of tomorrow.

#### Post Covid-19 outbreak

As the global economy seeks to deal with, and recover from, the outbreak, technological solutions are liable to flourish at an even faster rate.

### Continuous learners

Portfolio careers, entrepreneurship, the gig economy, cross-functional teams and the need for workers to stay relevant all mean continuous learning is here to stay.

#### Pre Covid-19 outbreak

We anticipate that learning, for many, will increasingly become self-directed, affordable, accessible, practical and time critical. Education providers will need to respond to this change, rapidly evolving their content and delivery.

#### Post Covid-19 outbreak

Being able to provide a rapid response to skills gaps is becoming even more important.

### The digitalisation of education

Nearly every consumer activity is now digitised, and businesses are following suit.

#### Pre Covid-19 outbreak

Digitalisation is now also empowering learners and converting them into consumers of education services. Web, mobile, social, augmented and virtual reality are changing the way people learn. Excellent course content may no longer be enough – and the return on investment is critical.

#### Post Covid-19 outbreak

The ability to offer digital solutions has been a key enabler of our business continuity through the pandemic. We started an extensive programme of digital transformation in 2019–20, which is set to run until mid-2022. The programme is focusing on delivering early value to members and future members to support them on their ACCA journey, and speeding up the build of the future digital capabilities we'll need. This includes accelerating work on remote supervision of exams while maintaining the rigour and integrity on which ACCA's reputation is founded.

## The blurring of competitor and partner

Dominant incumbents in all industries will be challenged – and not just by traditional competitors.

### Pre Covid-19 outbreak

Technology allows disruptors to enter markets quickly, especially as consumer demand becomes ever more digitally based. These changes will encourage organisations to partner with others, including competitors, to survive and thrive, developing more rounded products and solutions for their customers.

### Post Covid-19 outbreak

The need to be sustainable for the long term has been heightened by the crisis, intensifying the need for robust, reliable and innovative delivery chains.

## The growth of Asia

We're seeing a clear shift in the centre of economic power to Asia.

### Pre Covid-19 outbreak

China, currently the world's second biggest economy after the US, is expected to continue to gain a greater share of world GDP. In 2018, India became the world's sixth largest economy – and it's expected to move up to fourth place by 2022.

### Post Covid-19 outbreak

With the outbreak starting in China, the impact on its economy has already been marked with a 6.8% contraction in Q1 of 2020. The IMF is forecasting annual growth in China of 1.2% (compared with 6.1% growth in 2019) and growth in India of 1.9% (down from a pre-pandemic forecast of 5.8%).

While the overall GDP shift to Asia is likely to be unaffected, the rates of economic growth expected before the pandemic have fallen dramatically or may fail to materialise altogether, depending on the length of economic inactivity.

## Increasing business and government accountability

Society at large is becoming ethically aware.

### Pre Covid-19 outbreak

Increasingly, consumers expect government intervention to promote better business ethics.

We anticipate a growing number of businesses reporting on the UN Sustainable Development Goals (SDGs) and focusing on improving corporate social responsibility. We also anticipate that losing the trust of consumers will increasingly lead to business instability in the future.

Coupled with this, and continued high-profile corporate failures, trust in the profession remains an issue, and the purpose and usefulness of audit is a continued debate.

### Post Covid-19 outbreak

The disproportionate effect of the pandemic on the socially vulnerable and front-line workers is already leading to a re-evaluation of what really matters in society and how organisations contribute to the greater good.

## The dominance of cities

Over half (55%) of the world's population already lives in urban areas, and this is expected to grow to 68% by 2050 (UN World Urbanisation Prospects Report, 2018).

### Pre Covid-19 outbreak

Our research indicates that business opportunities will continue to be concentrated in cities despite two emerging factors: a growing shift towards flexible working and the need for organisations to reduce fixed overheads.

### Post Covid-19 outbreak

Having used digital means and remote working to help weather the crisis, the shift to home workers and digital supply and delivery may accelerate.

## Diverse workplaces

The workplace is becoming more diverse in all aspects.

### Pre Covid-19 outbreak

We now have four generations in the workplace: baby boomers, generation X, millennials and generation Z. The different generations don't think and act in the same ways: job loyalty, for example, falls significantly in new generations.

### Post Covid-19 outbreak

Diversity is likely to be more enabled through remote working and teams collaborating across countries and regions as a result.

## Challenged regulation

The size and increasing complexity of the global economy and the disruption caused by technology poses major new challenges for regulators.

### Pre Covid-19 outbreak

We anticipate increasing problems for regulators in striking a balance between investing in protecting consumers while also fostering innovation, all in the face of accelerating change.

### Post Covid-19 outbreak

The response to the pandemic has accelerated finding the balance between public protection and innovation, with companies manufacturing health products finding ways to speed up research and development while also meeting regulatory needs.

## The rise of intangible assets

The growth of businesses like Airbnb and Uber, which have very small balance sheets yet high valuations, is changing the definition of business value.

### Pre Covid-19 outbreak

Going forward, we'll continue to see a decline in tangible assets as the primary driver of business value. Intangible assets (brand, data, algorithms etc) and their real value for all businesses will continue to increase. This will build the need for wider and broader corporate reporting.

### Post Covid-19 outbreak

The focus on virtual supply chains as a means of keeping afloat through the crisis is likely to intensify the importance of data and brands.

Coupled with the above, the economic downturn experienced as a result of the Covid-19 outbreak is likely to be widespread and severe. According to ACCA research conducted in late March 2020, 80% of business leaders globally say their organisations are facing significant downturns in expected revenues and profits year-on-year, with 21% of organisations already freezing recruitment.

Owing to the outbreak, the International Monetary Fund (IMF) has projected that the global economy is set to contract by 3% in 2020, significantly worse than during the 2008–09 financial crisis. In a scenario that assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the IMF predicts that the global economy is projected to grow by 5.8% in 2021 as economic activity normalises.

As a result, ACCA's global growth is likely to be constrained throughout 2020–21, and this is reflected in our sharpened focus and targets.



# Stakeholder engagement and materiality





**We actively manage a range of key stakeholder relationships, recognising that our success and sustainability depends on their input and involvement.**




As part of our work on the strategy to 2025, we have developed updated value propositions for all our stakeholders in order to maintain a strong focus on meeting their different needs.






Our stakeholders	How we create value for them	How we engage with them
<b>Members</b> 	<p>We support members' career success by using our global voice to build the forward-thinking and ethical reputation of ACCA. Our cutting-edge insights and continuous learning keep them ahead, and our global community opens doors to new opportunities including connections with fellow professionals, employers and forward thinkers.</p>	<p>We have a network of member panels across the world, which bring members together and allow them to feed into our strategy and governance, both independently and via ACCA's International Assembly. Our Council, which is our main governance body, is composed entirely of elected ACCA members.</p> <p>We engage and inform members through regular communications, including our monthly Accounting and Business magazine, email campaigns and quarterly seminars delivered by Council members, and connect members to opportunities through our global ACCA Careers online jobs portal.</p>


<b>Future members</b> (ACCA students and affiliates*) 	<p>We open doors to an exciting range of career opportunities through in-demand qualifications that give our future members a competitive edge. We help them succeed by connecting them to each other and to our wider global community that includes influential and supportive employers, educators, mentors, members and forward thinkers.</p>	<p>In addition to what is delivered through our learning providers, we have built up a wide range of student and affiliate qualification support and services, such as our ACCA learning community, free webinars and digital support, including an online mentoring programme. We connect students and affiliates to opportunities through our global ACCA Careers online jobs portal. We also engage in-market with students and affiliates to offer targeted, face-to-face support.</p> <p>Our investment in closer working relationships and support for learning providers, working in partnership with them to support local market needs, also directly benefits students. This has helped us develop significant additional offerings around digital support and study resources.</p>
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Our stakeholders	How we create value for them	How we engage with them
<b>Employers</b> 	<p>We partner with organisations, helping them access and grow the finance talent they need to succeed through our trusted forward-looking qualifications and continuous learning. Our cutting-edge business and technical insights keep them ahead, and our global community opens doors to new opportunities including connections with ACCA professionals, new talent, potential partners and forward thinkers.</p>	<p>We have dedicated employees around the world who manage our relationships with employers in-market and ensure there is two-way dialogue between ACCA and the employers we serve. We also survey key employers globally every year on their satisfaction with, and perceptions of, ACCA, and act on these findings.</p>
<b>Educators</b> 	<p>We enhance business opportunities for educators through our in-demand qualifications. We help them succeed, encouraging and recognising quality, and co-create innovative solutions with them for today and tomorrow. We open doors to new opportunities through our community, including connections with employers, future members, forward thinkers and other educators.</p>	<p>Senior employees around the world manage our relationships with learning providers and ensure there is two-way dialogue. We also hold regular global and regional conferences for ACCA learning providers, and survey them at least annually on their perceptions of ACCA's brand and the service and support we provide for them.</p> <p>Following our programme of ACCA Qualification change, we have worked more closely than ever with our learning providers, through an active programme of support – including global training for ACCA tutors across the world – and closer collaboration on business initiatives. We also have a dedicated support section for learning providers on our website.</p>
<b>Governments and regulators</b> 	<p>We openly share our expertise, bringing a global perspective to national challenges to assist governments and regulators in developing policies that build strong, thriving societies. Our relevant qualifications develop future-ready people with the capabilities vital to economic growth. We help them prepare for the future, by connecting them to our technical and policy insights and community of policy makers, business leaders and forward thinkers.</p>	<p>These relationships have dedicated relationship management within ACCA at a national, regional or global level.</p>

Our stakeholders	How we create value for them	How we engage with them
<b>Employees</b> 	<p>We offer the opportunity to be part of a dynamic organisation that makes a difference to societies around the world. We nurture forward thinkers who live our values and embrace the diverse perspectives of our global community, working together to create exciting solutions. We invest in our people, helping them grow, and reward them for their role in delivering our vision.</p>	<p>We run an extensive programme of internal engagement and support including skills and culture training, wellbeing support and other development. We have developed a range of services and support for our global employee community including a social intranet, digital collaboration tools and more formal forms of sharing, such as an annual global virtual conference, town halls twice a year with the chief executive and executive directors, and a monthly briefing from the chief executive.</p> <p>Employee engagement and satisfaction is measured through a global survey, which will become more frequent in 2020-21, as well as shorter snapshot surveys of sentiment.</p>

<b>International organisations</b> 	<p>We're driven by our vision to build the accountancy profession the world needs. We recognise how financial skills and capabilities create trust, boost economic development and improve living standards. We bring a global perspective, extensive expertise in developing qualifications, and experience of shaping and implementing international standards. We work with nations and international organisations to create sustainable, long-term solutions that develop the profession.</p>	<p>We have a dedicated team within our Markets directorate, devoted to ACCA's contribution to the development of the global accountancy and finance profession, through capacity building, best practice sharing and building partnerships with national, regional and global bodies.</p>
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<b>The public</b> 	<p>ACCA-trained people support individuals, businesses and organisations in making good decisions and doing the right thing. We build public trust by creating an inclusive profession with people from all backgrounds, bound by a code of ethics and committed to updating their skills to meet ever-changing needs.</p>	<p>Outreach is achieved through media and ACCA's public communication channels, including our website and our social media accounts.</p>
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Our stakeholders	How we create value for them	How we engage with them
<b>Suppliers</b> 	<p>We rely on a number of key suppliers and providers to deliver services and support, particularly IT services and our international examining network.</p>	<p>All key suppliers have dedicated relationship management at a team, directorate, market office or global level, depending on the scope and nature of the supplier arrangement.</p>

\*Affiliates are students who have completed all ACCA's examinations but have yet to apply for membership, most commonly because they are still working towards the practical experience requirement.

Since adopting integrated reporting in 2011, we've consulted annually with stakeholders across a range of markets on the content and presentation of our integrated report. This has been an iterative process that has enabled us to build a picture of how our reporting can best address readers' needs while also meeting the requirements of the international <IR> framework.

**Our material issues have been arrived at through detailed analysis of the profession and key global competitors, and are reviewed annually for relevance against our strategy and the external environment.**

This year, we have undertaken a more comprehensive process of reviewing and updating, using our work on the 10 disruptors in the future and our professional insights work on professional accountancy careers in the coming decade, alongside a review of competitor reporting and key pieces of external research on global risks and issues. The language of the descriptors has also been refreshed and updated, to match that used in our strategy to 2025.

Together with this validation and sense-checking, we also looked to see where we could potentially reduce the number of issues, either by combining or challenging whether they were still relevant.

As a result, we've reduced the list of material issues from 21 last year to 18 this year.

#### 2020 relevant matters

- 1 A customer-centric organisation**

We will put customer needs at the centre of our decision-making and be able to respond quickly to stakeholders' changing needs.
- 2 ACCA's global presence**

Our footprint; number of countries we operate in; network of national offices; access to international networks; and strength of our communities.
- 3 Acting for public good**

Promoting responsible and ethical conduct in the accountancy profession. Supporting economic growth by building capacity where it is most needed in the profession worldwide.
- 4 Agile, innovative and motivated workforce**

Recruiting and developing people and teams that are adaptable, ready and eager to embrace new thinking and technology, and deliver solutions at speed.

## 5 Attractiveness, relevance and integrity of the ACCA Qualification

Ensuring the ACCA Qualification remains fit for purpose; applying uniform global standards in qualification requirements; continuous improvement and innovation; products that are of relevance to students, members and employers, thereby increasing employability prospects. An accessible and flexible qualification that provides a broad range of skills and the ethical compass demanded by employers in every sector around the world. Innovative, market-leading assessment and learning support, enhancing the flexibility and relevance of our qualification through technological solutions, which maintain or improve the rigour and security of assessments and provide the student with an online experience.

## 6 Best-in-class digital capabilities and infrastructure

Keeping pace with digital developments across our operations; proactive, responsive and efficient delivery through our digital capabilities. Single source of truth for data that drives effective decision-making; speedy, flexible, flawless and reliable service; and technology-enabled infrastructure. Awareness and combating of cyber threats, including digital privacy and data protection.

## 7 Brand recognition

Being recognised as #1 in developing the accountancy profession the world needs. Shaping the future of the accountancy profession and enabling individuals and organisations to unlock their potential. Brand value, media recognition and share of media voice in different markets. Reshaping what it means to be an accountant as the guidance role grows – it is about insight, professionalism and ethics.

## 8 Creating inclusion

Providing opportunity and open access to all people of ability throughout the world; no artificial barriers to entry; access to high-quality learning for all, providing options for individuals to gain relevant skills that reflect the changing nature of the accountancy profession to the level they require.

## 2020 relevant matters cont

<b>9 Effective internal governance and compliance</b>	<p>High standards of corporate governance and accountability; effective compliance with policies and legislation; effective internal audit and corporate assurance, including anti-corruption; speed of response to changing environments and legislation.</p>
<b>10 Environmental sustainability of ACCA's operations</b>	<p>Promoting environmental sustainability in our operations and in our supply chain.</p>
<b>11 Financial sustainability</b>	<p>Ability to invest in ACCA's future and keep pace with stakeholders' changing demands and expectations. ACCA's financial performance and reporting of it; balance-sheet strength (including pension deficit).</p>
<b>12 Learning provision: reach, resilience and quality</b>	<p>The reach, resilience and quality of ACCA's learning provision; its affordability to students; learning providers' commitment to enabling ACCA to operate effectively, including innovating and embracing new technologies that enhance students' learning experience and meet the demands of the workplace.</p>
<b>13 Member and student retention and growth</b>	<p>Recruitment of students who are informed, motivated, supported and equipped to progress through our qualifications and to obtain and retain membership if that is their end goal. Using data and insights to determine areas for potential growth and being cognisant of market-specific circumstances.</p>
<b>14 Member professional and career support</b>	<p>Providing members with ready access to knowledge to ensure that they remain relevant when the skills required of professional accountants are constantly evolving; networking opportunities; CPD; career portal; online forums, helping to market members to employers and enhance the employability of members.</p>

<b>15 Stakeholder engagement and responsiveness</b>	<p>Engagement level and relationships with members, students, employers, learning providers, standard setters etc and responding to developments in their worlds (eg value for money, changing nature of their careers etc).</p>
<b>16 Statutory recognition and licence to operate</b>	<p>Statutory recognition and licence to operate; ensuring that the ACCA Qualification is recognised and accepted across all markets and all sectors; overcoming or minimising restrictive or protectionist challenges that may prevent growth or entry into new markets.</p>
<b>17 Strength of relationships with partners</b>	<p>Our learning provider partners will be committed to ACCA and our employer partners will champion our value because we work together to deliver successful, employable students and members. We will work with national bodies and other partners to build the profession.</p>
<b>18 Thought leadership and public influence</b>	<p>Leading the policy and technical agenda through expert research and professional insights; contributions to public policy and regulation; participation in key international, regional and national forums.</p>

**This year, we invited members of our network panels around the world to take part in online workshops to rank the 18 material issues we've identified. We also consulted with representatives from our strategic learning partners. These results form the external view of our material issues.**

ACCA's employees on our Leadership Group also undertook the same exercise to provide the internal view of material issues.

Overall 2020 ranking (internal and external)	Material issue
1	Attractiveness, relevance and integrity of the ACCA Qualification
2	Brand recognition
3	Acting for public good
4	Member professional and career support
5	A customer-centric organisation
6	Thought leadership and public influence
7	Statutory recognition and licence to operate
8	Member and student retention and growth
9	Financial sustainability
10	Agile, innovative and motivated workforce
11	ACCA's global presence
12	Stakeholder engagement and responsiveness
13	Best-in-class digital capabilities and infrastructure
14	Strength of relationships with partners
15	Learning provision: reach, resilience and quality
16	Effective internal governance and compliance
17	Creating inclusion
18	Environmental sustainability of ACCA's operations

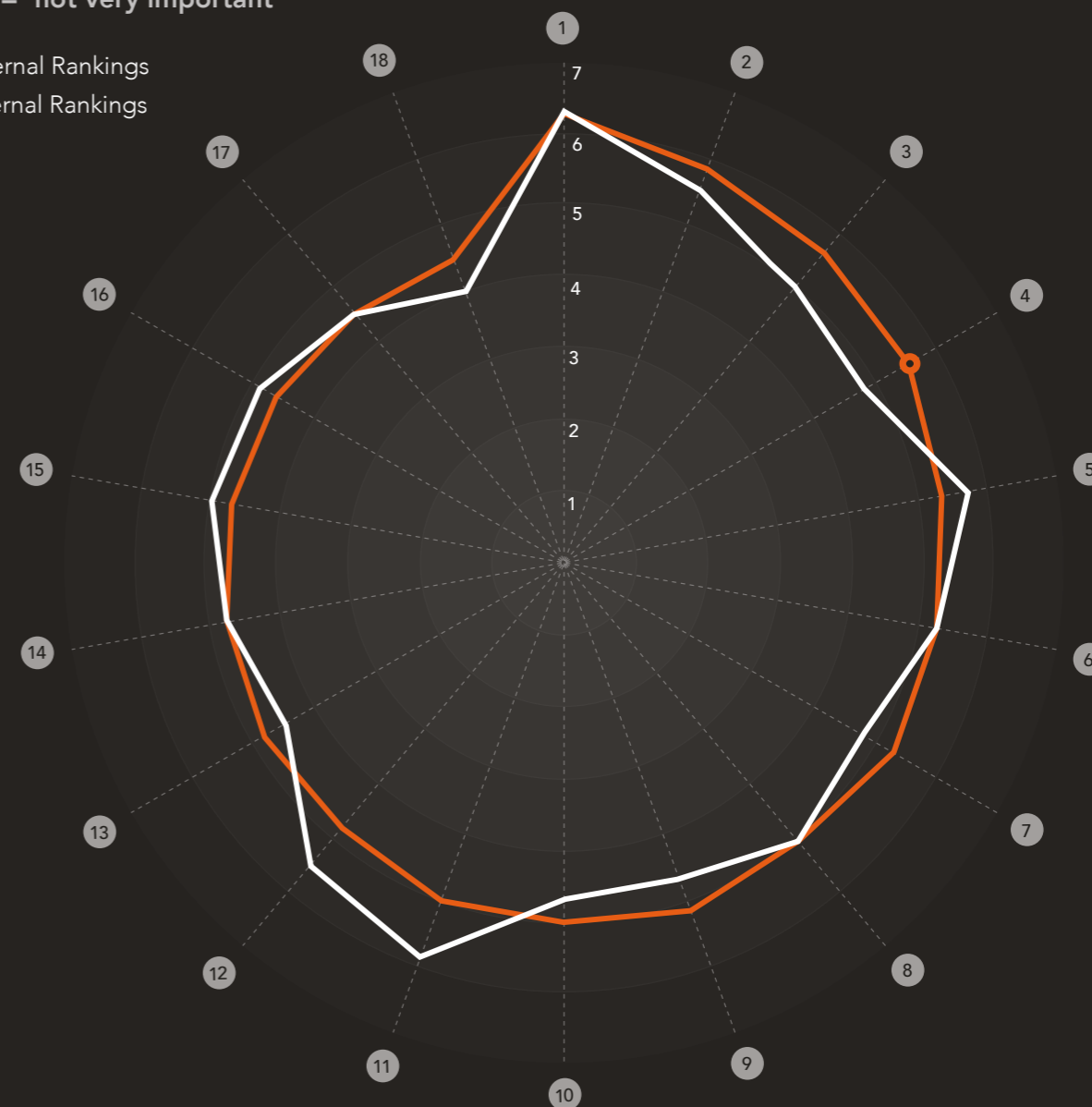
Because of the changes in descriptions and the reduction of the overall list, it is not possible to provide reliable and meaningful comparisons with last year's rankings on every issue. However, looking in general, we have seen ACCA's need to act for public good becoming much more highly rated and greater prominence being attached to the capabilities demonstrated by ACCA's workforce. Elsewhere, rankings of issues are very consistent with 2018–19, with the attractiveness, relevance and integrity of the ACCA Qualification as the highest ranked issue, showing the continued belief that investment here is fundamental to ACCA's future success.

Once again this year, internal and external rankings are very strongly correlated. We've seen these two sets of rankings continue to move closer together during the strategy to 2020, as we have deepened engagement and consulted more closely on strategy and direction with our member network representatives and learning providers.

## The materiality matrix

Scores out of 7, where 7 = 'most important' and 1 = 'not very important'

— Internal Rankings  
— External Rankings



1. Attractiveness, relevance and integrity of the ACCA Qualification
2. Brand recognition
3. Acting for public good
4. Member professional and career support
5. A customer-centric organisation
6. Thought leadership and public influence
7. Statutory recognition and licence to operate
8. Member and student retention and growth
9. Financial sustainability
10. Agile, innovative and motivated workforce
11. ACCA's global presence
12. Stakeholder engagement and responsiveness
13. Best-in-class digital capabilities and infrastructure
14. Strength of relationships with partners
15. Learning provision: reach, resilience and quality
16. Effective internal governance and compliance
17. Creating inclusion
18. Environmental sustainability of ACCA's operations

# Strategic performance in 2019–20



## Vision

### #1 in developing the accountancy profession the world needs

#### What this means in practice

By delivering our strategic outcomes (Attract, Develop, Sustain and Lead), ACCA and our Qualification will be seen as leading the profession in innovation and quality. This means ACCA will be the most sought-after global designation in the profession and the clear choice for individuals and employers seeking an internationally recognised professional accountancy qualification.

#### Strategic measure applied

Number of members.

#### Why we use this measure

The expertise and ethics of our members are the main way we create value. The number who invest in our Qualification shows the value and utility of our brand in the global marketplace.

Five-year performance	Prior year actuals				Current year actuals	Target
	2015-16	2016-17	2017-18	2018-19	2019-20	2019-20
# of members	188,137	198,614	208,549	219,031	227,332	226,400
Year-on-year % growth rate	5.6	5.6	5.0	5.0	3.8	Target met

In this final year of our 2020 strategy, we exceeded our member growth target as a result of higher admissions than anticipated. Over the life of the strategy, we've seen 5% annualised growth, predominantly driven by strengthening new member numbers. As the market mix of members has evolved in recent years, we've seen retention levels decline slightly. In 2019–20, we recorded a marginal annual fall of 0.2% to 97.4%. We recognise that we will need to demonstrate our value to members even more strongly in the coming year and we are implementing a range of initiatives to drive retention, as we move into the strategy to 2025. These include sharpening our member value proposition and promoting all the tangible and intangible benefits membership provides, across all sectors and at all stages of membership, including highlighting the value derived from being part of ACCA's uniquely wide global community of professionals.



**Our difference**

**Reach, relevance and resources**

**What this means in practice**

That we invest in ACCA's unique combination of reach, relevance and resources as our differentiator in the profession and our greatest source of competitive advantage, now and into the future.

**Strategic measure applied**

Net operating surplus/(deficit) before tax.

**Why we use this measure**

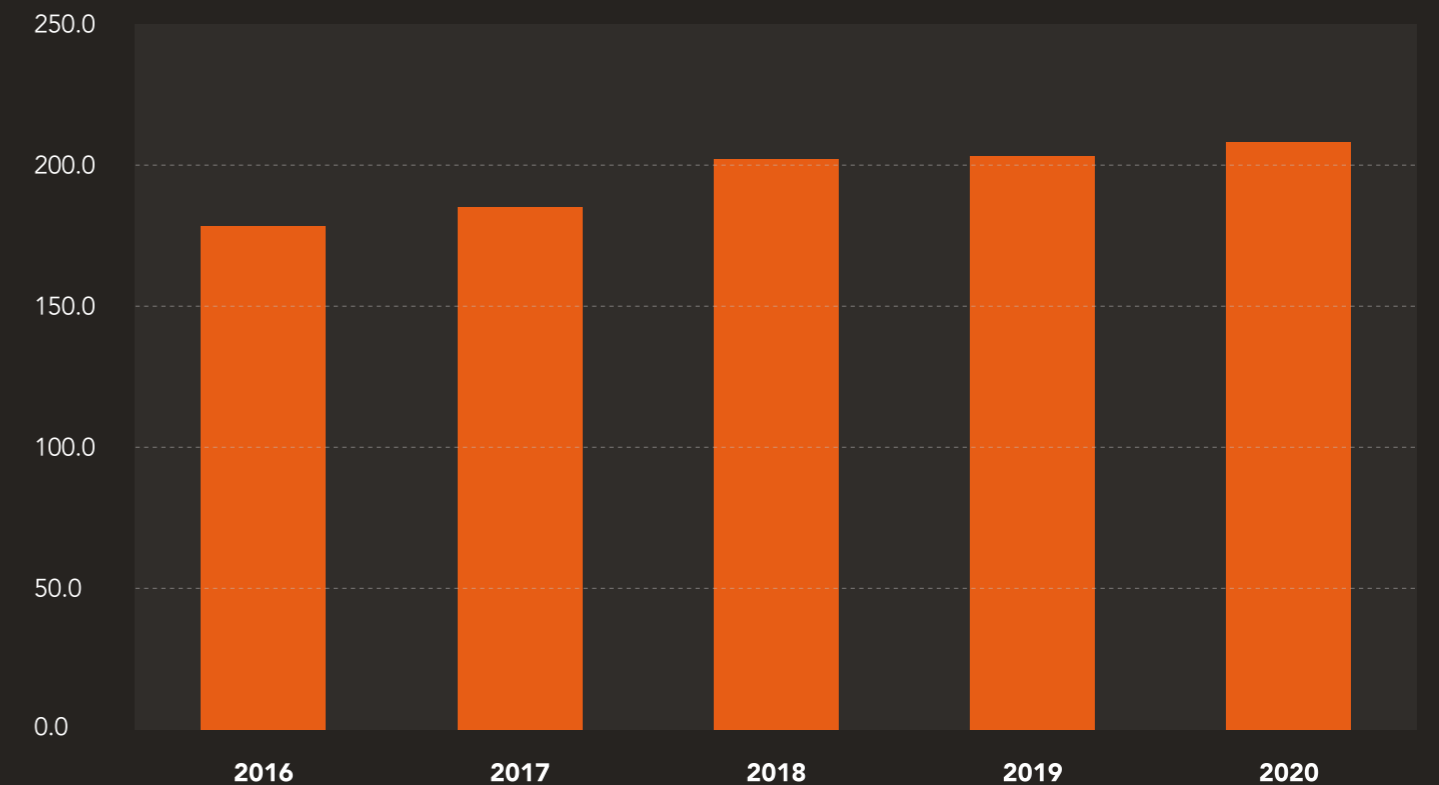
This demonstrates the extent to which we have exercised good financial discipline and also how we have invested against our strategy during the year. This key performance indicator (KPI) measure is consistent with the operating surplus reported in our statutory accounts, net of finance costs.

Five-year performance	2015-16	2016-17	2017-18	2018-19	2019-20
Surplus/(deficit) before tax	£4.3m	£(6.0)m	£(8.6)m	£(35.8)m	£2.3m
Targets	£(5.0)m	£(4.9)m	£(18.3)m	£(14.8)m	£1.0m

**Financial performance in 2019–20**

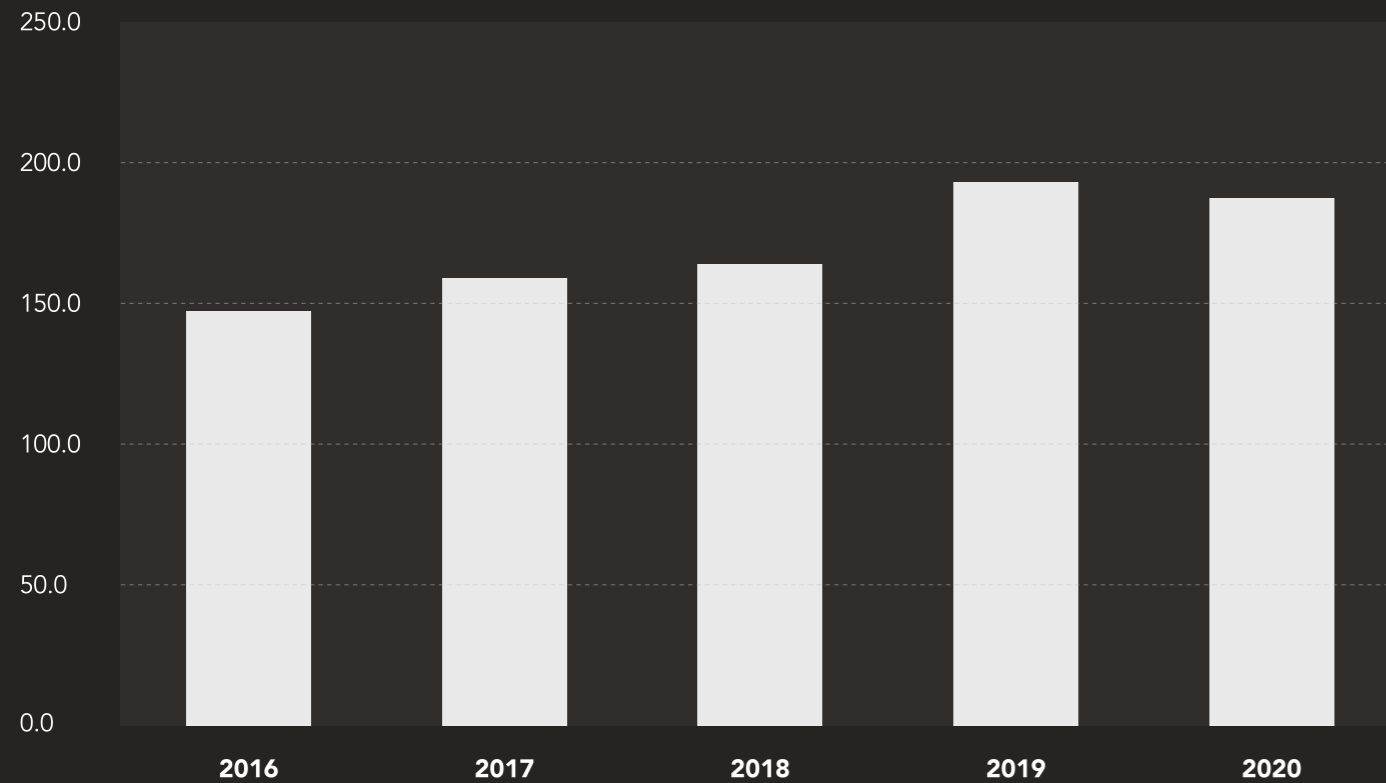
2019–20 has been a relatively successful year despite the challenges brought from the impacts of Covid-19 on the global economy and ACCA in general. Revenue continued to grow with total revenue of £216.4m, which represents a 5% increase on the prior year. This was achieved through a combination of price increases together with a combination of strong customer growth and continued customer retention, despite the loss of one exam session in China and other markets due to Covid-19. Performance in the other three sessions was positive, compensating for the loss of the March exam session, which demonstrates our move to four exam sessions per year is now embedded across our markets and has been well received by our students and partners.

**Income £m**



The market for professional qualifications remains very competitive but our focus on strategic pricing, commercial relationships and working closely with strategic partners in key markets has ensured that our offering remains competitive.

## Operating expenditure £m



Operating expenditure fell to £186.7m, which represents a 4.3% decrease from the prior year. Through close monitoring and focus on costs, operating expenditure was £9.8m below the original budget (0.5% favourable). Cost initiatives identified in the previous year were carried forward into 2019–20, e.g. less travel, more efficient use of technology. The direct and indirect impacts of Covid-19 led to lower activity in Q4, e.g. lower exam delivery costs. ACCA also made the decision not to award performance bonuses for the year, resulting in a saving of £2.2m.

**During the year, ACCA implemented IFRS 16, Leases using the full retrospective approach. The effect of first-time adoption of this standard has reduced opening net assets at 1 April 2019 by £1.7m and the 2018-19 accounts have been restated accordingly.**

Going concern has been a key focus due to Covid-19, and the impact it has had and will have on future operations has been thoroughly reviewed for budgetary control and audit purposes.

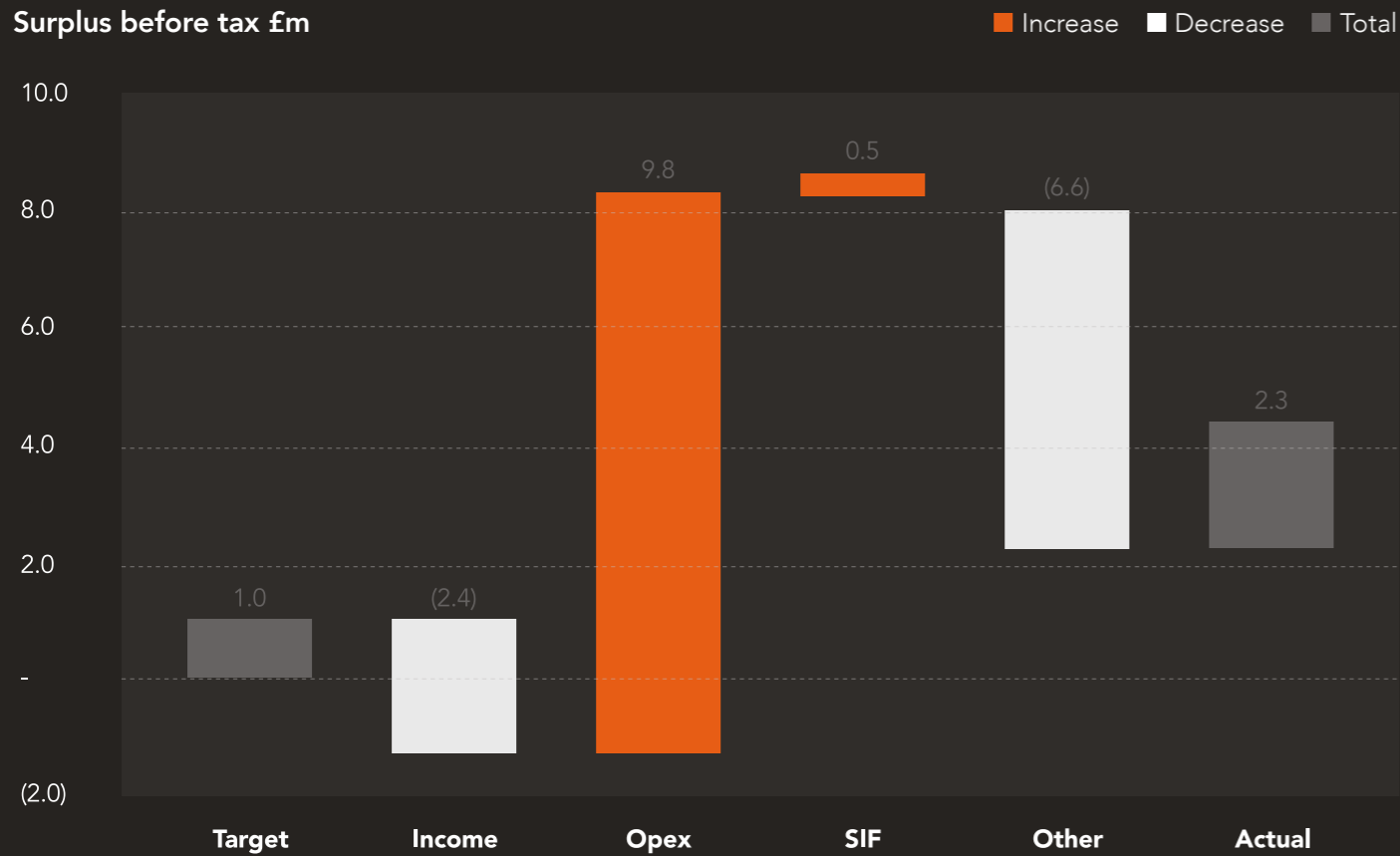
Going forward, our budget for 2020–21, which was approved by the Council Board in April and Council in May, was prepared after considering the global impact of Covid-19.

Various scenarios, including reverse stress testing, were reviewed by ACCA and our auditors, Grant Thornton UK LLP, and the budget was prepared on the basis of ACCA's most likely outcome, which assumed cancellation of all exams in June, an extra exam session in July for China, Hong Kong SAR and other ASEAN countries and some countries in Africa, and a full session of exams in September. That scenario does assume bank funding through the UK Government's Coronavirus Large Business Interruption Loan Scheme (CLBILS) and, if necessary, divestment from the investment portfolio. The budget continues to be built on cost-conscious principles to maximise the value obtained from our operational expenditure.

In 2019–20 we spent £21.6m on our strategic change programme (which includes the impact of intangible capitalisation and amortisation). During the year we consolidated our investment in our digital programme, which will update our IT infrastructure and make improvements to our digital capabilities to improve the services, experience and ease of doing business for members, students, employers, learning providers and our other stakeholders. Investment in Exam Delivery reflects the multi-year nature of the changes to our Qualification, and this focused on the delivery of strategic professional computer-based exams in March 2020, delivery of the Russian Language Pathway exam in December 2019 and a new strategic practice exam platform in June 2019. Renovate the Core and Digital came together this year as an integrated programme. It delivered the new myACCA student and affiliates portal, and the new global members portal for completing their annual CPD and renewals. These new platforms received excellent feedback from all users. The Finance system phase 1 is well under way and due to deliver in the coming year.



Surplus before tax £m



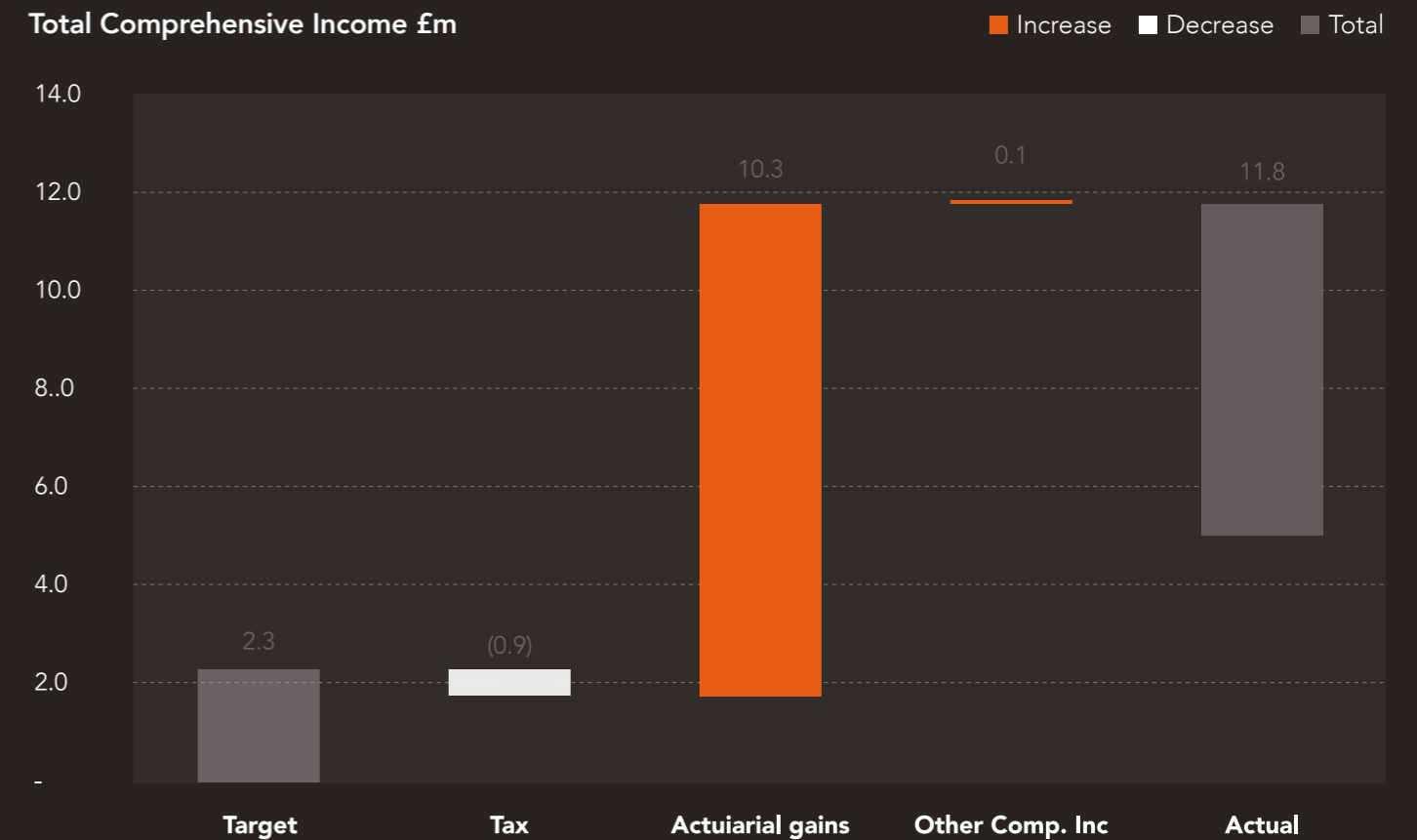
We delivered a pre-tax surplus of £2.3m against a budget pre-tax surplus of £1.0m. Income growth was strong despite the loss of the March exam sessions in China. Expenditure was controlled during the year through cost-conscious initiatives and our spend on strategic investment was in line with forecast. Other income/expense includes realised and unrealised gains/(losses) on investment and gains/(losses) on forward contracts. Due to Covid-19 stock markets were very volatile in March and we have suffered unrealised losses against budget. During the year we divested from the portfolio for working capital purposes and through tight cost management we have benefited from holding surplus cash. Our investment portfolio is well diversified and despite the volatility during March, our investments have been quite resilient and losses were lower than general market falls.

Other financial information

There are a range of transactions that arise after net operating surplus accounted for, including tax, actuarial gains/(losses) income and other comprehensive income.

Our total comprehensive result for the year to March 2020 amounted to a surplus of £11.8m, mainly as a result of actuarial gains on the defined benefit pension schemes of £10.3m.

Total Comprehensive Income £m

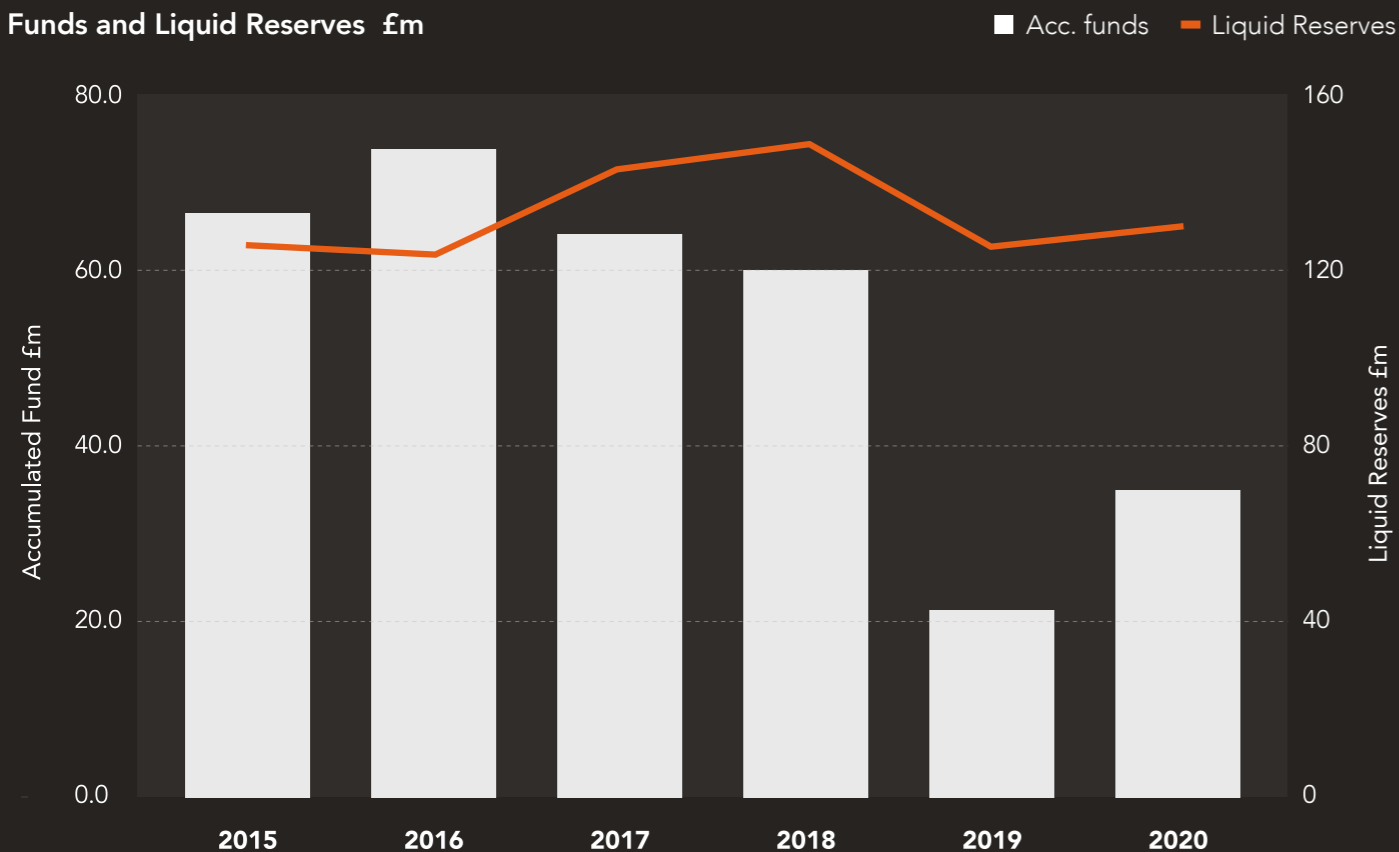


We operate defined benefit pension schemes in the UK and Ireland, both of which are closed to future accrual. These schemes are valued each year-end and actuarial gains or losses are taken to comprehensive income. This year, the actuarial gains amounted to £10.3m, which was driven by a change in the financial assumptions, e.g. small decreases in the discount rate and the inflation rate. The deficit has reduced to £17.9m due to the above, additional pension contributions

from ACCA and a successful implementation of a new investment strategy by the trustees, whereby investment asset values have remained strong despite the market volatility.

The balance sheet remains strong and provides ACCA with a platform to continue to deliver sustainable growth.

Funds and Liquid Reserves £m



Council has a long-term target to build the accumulated fund to 60 days of operating expenditure. At March 2020, the Accumulated Fund represented 48 days of operating expenditure. This is below the target and reflects the ongoing current investment in our transformation programme and the impact of the historic pension adjustment in the previous year.

Council also monitors balance sheet liquidity, and has agreed that it will maintain a level of liquid reserves to cover ACCA's exposure to corporate risks that would result in a consequential loss to ACCA, which could reduce overall financial strength and create a risk that ACCA was unable to settle liabilities as they fall due. Liquid reserves are defined as the total of cash and liquid short-term and long-term investments, less any short-term borrowing.

Total assets increased from £227.0m to £232.1m, mainly as a result of the surplus for the year. At March 2020, our investment portfolio including short-term cash funds was £111.2m and our cash balances were £27.1m.

More detailed financial information is available in our [consolidated financial statements](#).



**Attract**

**Inspire people everywhere in the world to choose ACCA**

**What this means in practice**

Developing the ACCA Qualification so that it continues to provide the skills and professionalism demanded by employers globally in every sector, and promoting ACCA through a vibrant and forward-looking brand.

**Strategic measure applied**

Number of students and affiliates (those who have completed ACCA's exams but are yet to become members).

**Why we use this measure**

It shows our success in extending the appeal of our Qualification to the next generation and the strength of our membership pipeline.

Five year performance	Prior year actuals				Current year actuals	Target
	2015-16	2016-17	2017-18	2018-19	2019-20	2019-20
# of students and affiliates	480,813	486,514	503,262	527,331	544,446	551,600
Year-on-year % growth rate	5.5	1.2	3.4	4.8	3.2	<b>Target not met</b>

**We ended 2019–20 behind target, largely as a result of the impact of Covid-19 on recruitment activities in China in Q4.**

Nevertheless, we continued to see double-digit growth in the key markets of China and India, both of which are seeing a strong return on market investment and the tailored strategic focus we've developed during the course of our strategy. Pakistan also performed well, growing faster than predicted, and we experienced strong growth in Central and Eastern Europe and the Commonwealth of Independent States. Elsewhere, we recruited broadly to expectation, with the exception of Malaysia, where early recruitment initiatives from previous years did not translate into students sitting exams. One of the learnings from the 2020 strategy has been the need to create more effective early recruitment schemes, involving learning providers and employers more closely from the outset, to build commitment to, and confidence in, progressing.

Although recruitment did not perform to target, we saw a marginally higher intake of 112,479 new students globally, compared with 2018–19. Student retention ended the year 0.5% behind target at 84.5%, with Malaysia and Singapore accounting for most of the shortfall.

Looking over the course of the strategy, we've seen annualised growth of 3.8%, helping feed strong market share performance overall.



## Develop

### Grow our network to support our stakeholders to achieve their goals

#### What this means in practice

We develop members and students by investing in support that enables them to achieve their professional goals.

#### Strategic measure applied

100% of our three student progression targets of: 782,200 exams entered during the year; 67% of ACCA affiliates achieving membership in four years; 36.8% of students passing exams in the past year.

#### Why we use this measure

It gives a rounded picture of the main factors that affect progress to membership. All three element targets need to be met to achieve the Develop measure.

Five year performance Student progression factors	Prior year actuals				Current year actuals	Targets
	2015–16	2016–17	2017–18	2018–19	2019–20	2019-20
# exams entered	837,192	774,911	817,058	782,253	722,740	782,200
					Target not met	
% of affiliates becoming members within four years	68.8	66.1	66.9	67.0	68.2	67.0
					Target met	
% of students passing exams in the past year	35.3	36.2	36.9	36.8	34.7	36.8
					Target not met	

Of the three element targets we needed to meet, one was achieved (% of affiliates becoming members within four years) and two were not achieved (% of students passing exams in the past year and number of exams entered).

This area of performance has challenged us throughout the lifetime of the strategy for various reasons, as we balance our commitment to making a professional qualification accessible and, at the same time, seeking to nurture students through our exams in markets with varying levels of local and online support.

### Exams entered:

### % of affiliates becoming members within four years:

### % of students passing an exam in the past year:

Until Q4 of 2019–20, we were on track to reach our global exam entry target. The Covid-19 outbreak in China affected both on-demand and sessional sittings during the final three months of the performance year, with cancellations in the region the major contributor to the shortfall. Looking more broadly, we have also seen the average number of papers sat by students decline over the life of the strategy, from a high of 1.88 per student globally in 2015–16 to 1.51 per student globally in 2019–20.

Although the average number of exams entered has fallen, exam revenue has continued to improve over the course of the strategy because of the steady growth in our student file. It will be crucial to focus on this element throughout 2020–21 in order to enable students to progress, where exams have needed to be cancelled in 2019–20, and to deliver the financial sustainability expected by Council.

We've built on our strong performance here last year, further improving to 68.2% (an increase of 1.2% on prior year). This has been a successful area of focus for us, in response to challenges we saw earlier in the strategy, with a number of active interventions around encouraging and nurturing affiliates towards membership, which have since become part and parcel of the support they receive directly from ACCA.

The effort and resources we applied to student progression had notable effects in the earlier years of the strategy. Last year, we saw this progression element slow slightly following the introduction of Strategic Professional in September 2018, with more students choosing to defer or sit option papers first (the latter of which have lower pass rates). The closer and more collaborative relationships we have forged with our strategic learning partners have been instrumental in embedding market adoption of the changes we've made to the ACCA Qualification and we're very conscious that this work needs to be ongoing, as Strategic Professional continues to bed in. We've also invested in greater, and more tailored, student support using our digital platforms and tools, but recognise that continuing to closely support learning providers and signposting students to their resources gives them the best chance of progression. This is particularly true in respect of Strategic Professional, as we continue to roll out computer-based exams around the world.



## Sustain

### Demonstrate the value of a lasting relationship with ACCA

#### What this means in practice

We deliver and communicate the tangible value of a relationship with us to our members and students so that they remain committed to, and advocate for, ACCA.

#### Strategic measure applied

Overall member, student and affiliate satisfaction.

#### Why we use this measure

It shows overall happiness with our brand and services.

Five year performance	Prior year actuals		Current year actuals		Targets	
	2015–16	2016–17	2017–18	2018–19	2019–20	2019-20
<b>Overall satisfaction†</b>	72.0%	76.9%	80.7%	79.1%	81.3%	80.0%
<b>Year-on-year increase/decrease</b>	+2.0%	+4.9%	+3.8%	-1.6%	+2.2%	<b>Target met</b>
<b>Member satisfaction†</b>	71.0%	76.4%	79.5%	77.2%	79.9%	
<b>Affiliate satisfaction†</b>	66.0%	71.0%	75.7%	71.5%	77.9%	
<b>Student satisfaction†</b>	76.0%	78.1%	82.5%	82.1%	83.1%	

† Survey measures for students, members and affiliates are judged achieved if within +/- 1.5% of the target to allow for accepted survey variations. Based on 28,089 members, students and affiliates responding globally.

We ended the 2020 strategy with our highest overall score for five years, exceeding our target by 1.3% and delivering an 11.3% increase over the life of the strategy (which we began delivering in 2014–15). This has been a dedicated and consistent area of focus for us, with the effort applied to it building both member and future member satisfaction strongly.

## Member satisfaction

Member satisfaction has increased to 79.9% (+2.7ppt compared with 2018–19). Following a year-on-year fall last year, member scores stand at their highest for five years. Most key markets have shown improvements from 2018–19, with Pakistan (+7ppt) and Nigeria (+5.8ppt) seeing the most improvement. Mainland China is the only market to see a marginal decline (-0.8ppt) but a remaining high satisfaction level (of 83.1%). Member net promoter score (NPS) is +39.5 (a 2.6ppt increase compared with Q4 2018–19).

## Student satisfaction

Student satisfaction is 83.1% (+1.0ppt compared with 2018–19). Almost all our key markets have seen at least marginal improvements since Q4 2018–19, with only Russia seeing a decline (-1.8ppt).

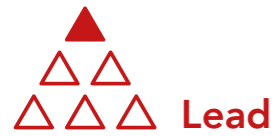
Student NPS stands +40.3 (a marginal fall of -0.1ppt since Q4 2018–19).

## Affiliate satisfaction

Affiliate satisfaction is 77.9% (+6.4ppt compared with 2018–19). While this is a notable improvement, some of this increase can be explained by the change in the profile of our sample, with slightly more newer affiliates who tend to display higher levels of satisfaction. When adjusted to take account of this, overall affiliate satisfaction has still increased notably, but at a slower rate. Scores in the UK and mainland China, our biggest affiliate markets and therefore the biggest influence on the overall score, have improved by 12.6ppt and 8.7ppt, year-on-year, respectively.

The continued focus we've had on processes and outreach to help affiliates get the right practical experience and enhance their careers, alongside market-specific interventions, has helped improve affiliates' perceptions of their relationship with ACCA.

Affiliate NPS stands at +34.1 (a 5.3ppt increase compared with 2018–19).



## Use our pre-eminent brand and reputation to influence the market

### What this means in practice

We aim to lead the profession in demonstrating the value professional accountants bring to society, which also relies on a strong, visible and credible brand.

### Strategic measure applied

Brand power, assessed through 10 elements covering brand awareness, brand reputation and global market share.

### Why we use this measure

It gives us a rounded picture of brand resilience and impact across our main stakeholder groups.

	Prior year actuals				Current year actuals	Targets
	2015–16	2016–17	2017–18	2018–19	2019–20	2019–20
Members who have recommended ACCA†	57.5%	60.2%	63.5%	61.4%	60.0% Target not met	63.0%
Students who have recommended ACCA†	71.1%	74.2%	78.1%	77.0%	75.7% Target not met	78.0%
Affiliates who have recommended ACCA†	65.4%	67.7%	71.5%	70.6%	73.0% Target met	72.0%
Approved learning providers recommending ACCA as first choice†	91.2%	89.1%	88.0%	89.9%	92.3% Target met	88.0%
Key employers preferring to recruit ACCA†	35.0%	39.2%	43.0%	50.0%	48.3% Target met	50.0%
Members, students and affiliates agreeing that ACCA is an innovative and forward-thinking organisation†	71.5%	75.5%	77.4%	79.2%	82.8% Target met	80.0%
Members, students and affiliates agreeing that ACCA shapes the agenda of the accountancy profession†	68.5%	71.5%	74.8%	75.0%	78.5% Target met	76.0%
Members agreeing that ACCA promotes public value†	67.2%	70.9%	73.4%	72.2%	74.3% Target met	73.0%
Employers believing that ACCA provides relevant skills for their business†	88.0%	92.0%	91.0%	90.0%	89.4% Target met	90.0%
Share of total members of ACCA, ICAEW, AICPA, CIMA and CPA Australia	18.7%	19.3%	19.7%	20.3%	20.8% Target met	20.6%
<b>Overall</b>	<b>80.0%</b>	<b>80.0%</b>	<b>100.0%</b>	<b>60.0%</b>	<b>80.0%</b> <b>Target met</b>	<b>80.0%</b>

† Survey measures for members, affiliates and students are judged achieved if within +/- 1.5% of the target to allow for accepted survey variations. Survey measures for employers and learning providers are judged achieved if within +/-2.5% of the target.

Member results based on 8,601 responses globally; student and affiliate results based on 19,488 responses globally; employer results based on 774 contacts surveyed globally; learning provider results based on 819 contacts surveyed globally.

**With the Attract, Develop and Sustain outcomes directly feeding into the Lead outcome of our 2020 strategy, performance here very much represents the culmination of all the efforts we’ve made over the course of the strategy.**

It is pleasing therefore that we’ve been able to improve scores across all 10 elements of the measure, some very notably so. Our leadership credentials are demonstrated through the status our Qualification and brand enjoy, and our ability to offer world-class insights and subject matter expertise. Over the past five years, we’ve seen strong increases in brand measures around innovation, with a 10.7ppt increase in members and future members saying ACCA is forward-thinking and a 10.0ppt increase in them saying ACCA shapes the agenda of the profession. Following a dip last year, the element relating to our promotion of public value has improved, showing a five-year improvement of 7.1ppt. The investment we’ve made in our stable of professional insights has been a key factor in these improvements, as are the innovations we’ve made to the ACCA Qualification.

Following very strong performance last year, we retained high levels of satisfaction and recommendation among employers and learning providers. Approval of the ACCA Qualification changes we have been implementing remains high, with 89.4% of employers saying ACCA provides relevant skills for their business (a marginal decrease of 0.6%, year-on-year, from an already high base) and 92.3% of Approved Learning Providers saying they recommend ACCA as the first choice professional accountancy qualification (an increase of 2.3ppt since 2018–19).

In total, 48.3% of all key employers surveyed said they preferred to recruit an ACCA-qualified accountant, meaning that we met our 50.0% target, allowing for permitted survey variations.

Employer and learning provider results were based on a significantly larger sample than in 2018–19 (with an increase of 162 in employer responses and an increase of 338 in Approved Learning Provider responses), underlining the additional engagement we have driven as well as giving us even more confidence around positive sentiment.

Although not included in our basket of measures, overall employer satisfaction stands at 91.0% at the end of 2019–20, and an NPS of +33.6. Learning provider satisfaction stands at 82.0%, with an NPS of +56. In terms of market share, we ended the year ahead of target at 20.8%, having delivered steady growth over the life of the strategy.

The comprehensive strengthening of ACCA’s reputation, voice and influence provides a strong foundation as we embark on the strategy to 2025. We intend that the re-articulation of our purpose statement will help this focus even more, as we move into delivering against it.



**Our capabilities**

**1. High-performing people motivated to deliver our strategy**

We report performance against our capabilities for information, and progress here does not form part of calculations in respect of executive remuneration.

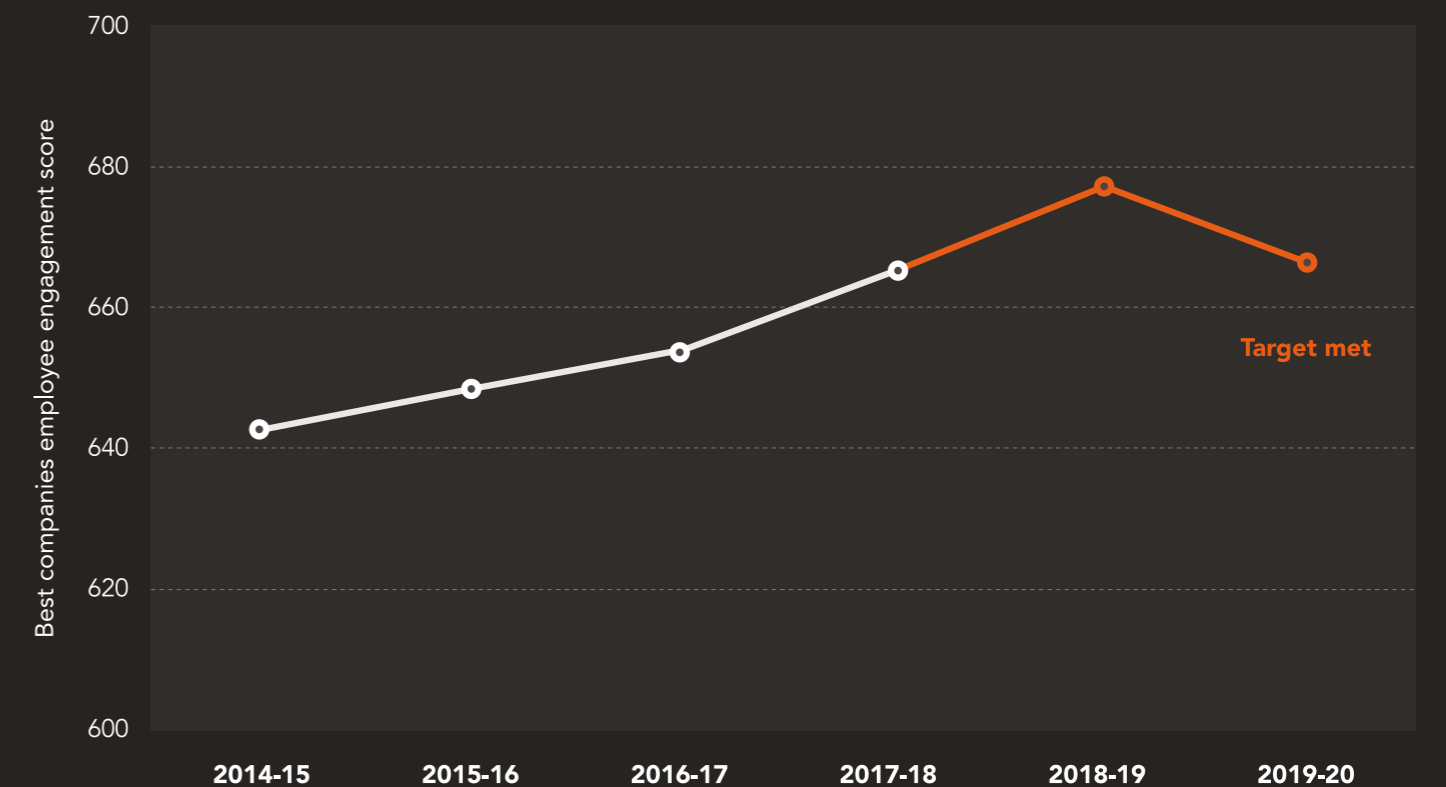
**Strategic measure applied**

Best Companies employee engagement index.

**Why we use this measure**

It is a wide-ranging index that assesses how engaged and fulfilled our employees are, and enables us to identify those drivers that are likely to affect their contentment and motivation. This is also a widely used framework for assessing employee engagement, which means we can benchmark our performance against leading employers.

**Five-year performance actuals**



In 2019–20, we retained our targeted 1 Star status on the Best Companies index, based on our highest response rate to date. However, following steady increases across the lifetime of the strategy, our scores fell back by 15 points this year, to the broad levels seen in 2017–18.

Employees continue to express pride in working for the organisation, believing that they are making a valuable contribution as an employee of ACCA. Employees’ perception of our people managers overall also continues to show improvement, with recognition that people managers are role modelling good behaviours; this in turn has a positive effect on team motivation.

**In terms of areas for improvement, people would like even more emphasis on our values and greater two-way engagement between senior leaders and the wider workforce.**

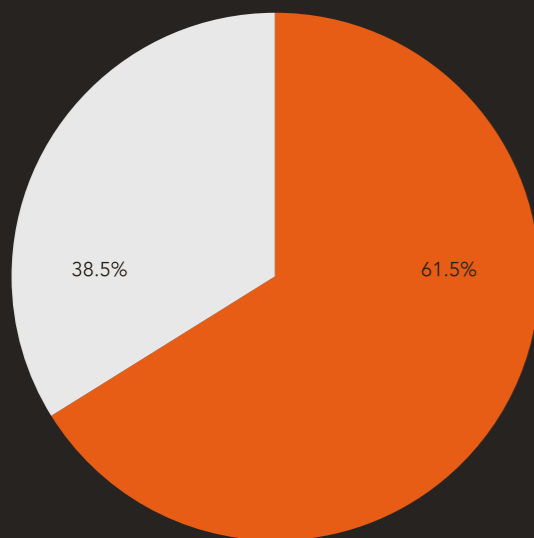
In terms of areas for improvement, people would like even more emphasis on our values and greater two-way engagement between senior leaders and the wider workforce.

To build on this, we have begun a programme of culture change and development to support the delivery of strategy to 2025. Our refreshed purpose, values and behaviours were launched in March 2020, providing clarity to employees around the behaviours and ways of working required to successfully deliver the strategy. We have also simplified performance management processes for the year ahead and developed a new employee engagement survey to measure engagement as well as to track how well we are progressing against our culture journey. The new survey provides people managers with access to results within two weeks of the survey closing, encouraging 'real-time' conversations with team members and the creation of more effective and impactful action plans.

**Employee gender diversity**

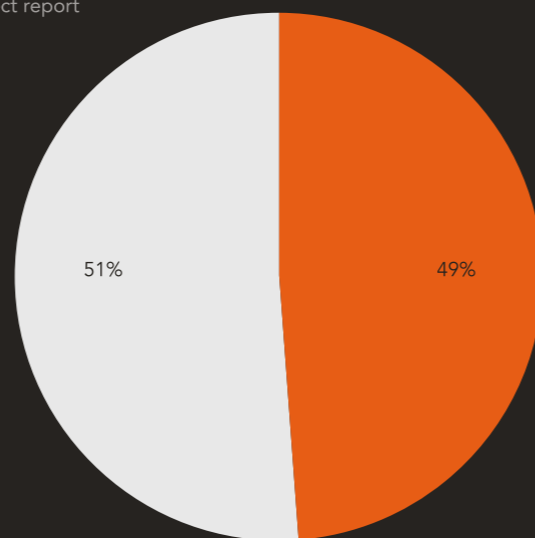
■ Male ■ Female

**Overall**



**In leadership**

\*Executive team and their direct report



**UK gender pay gap reporting**

The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 require relevant UK employers with 250 or more employees to publish information on their gender pay gap. Although ACCA does not fall into the category of UK employers required to publish their gender pay gap, we welcome the opportunity to voluntarily report, and we're publishing our report as a clear and visible sign of our commitment to equality and diversity.

This year we saw a reduction in both our mean and median ordinary pay figures as well as in our mean bonus figure. Our median bonus figure increased only very marginally in the period.

Our full gender pay report for 2019 can be found at: <https://www.accaglobal.com/uk/en/about-us/annual-reports.html>

**Modern Slavery Act commitment**

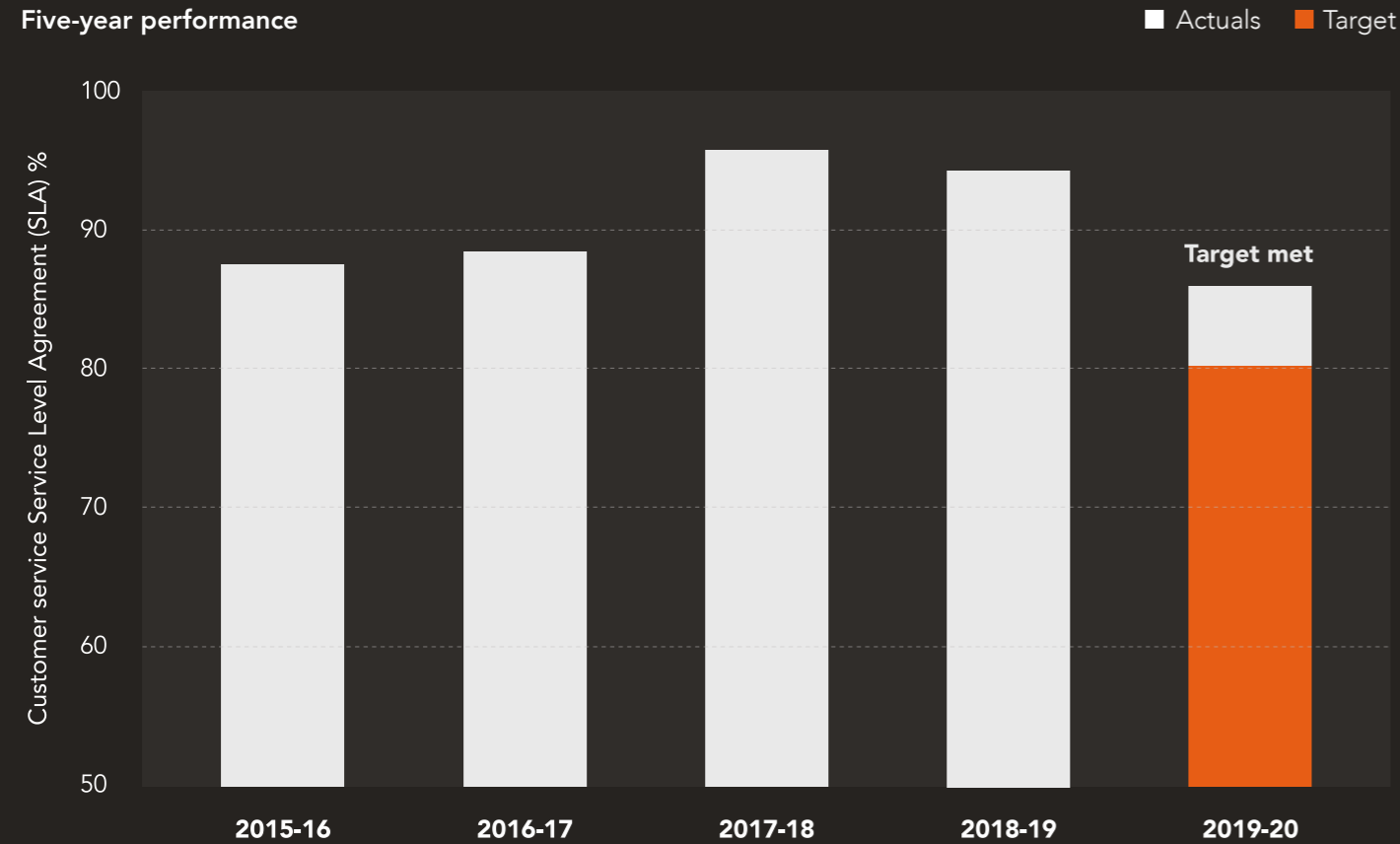
We are committed to acting ethically and with integrity in all our business dealings and relationships. We act on this commitment by implementing and enforcing effective systems and controls to ensure that modern slavery is not taking place in our organisation or in any of our supply chains.

We expect the same high standards from our suppliers, contractors and other business partners, and as part of our contracting process we include prohibitions against the use of forced, compulsory or trafficked labour or anyone held in slavery or servitude. We expect that our suppliers will hold their own suppliers to the same high standards.

Our Executive team has overall accountability for ensuring that our organisation complies with this policy and for monitoring its use and effectiveness, as well as the auditing of internal control systems and procedures.

## 2. Customer-centred solutions

Five-year performance

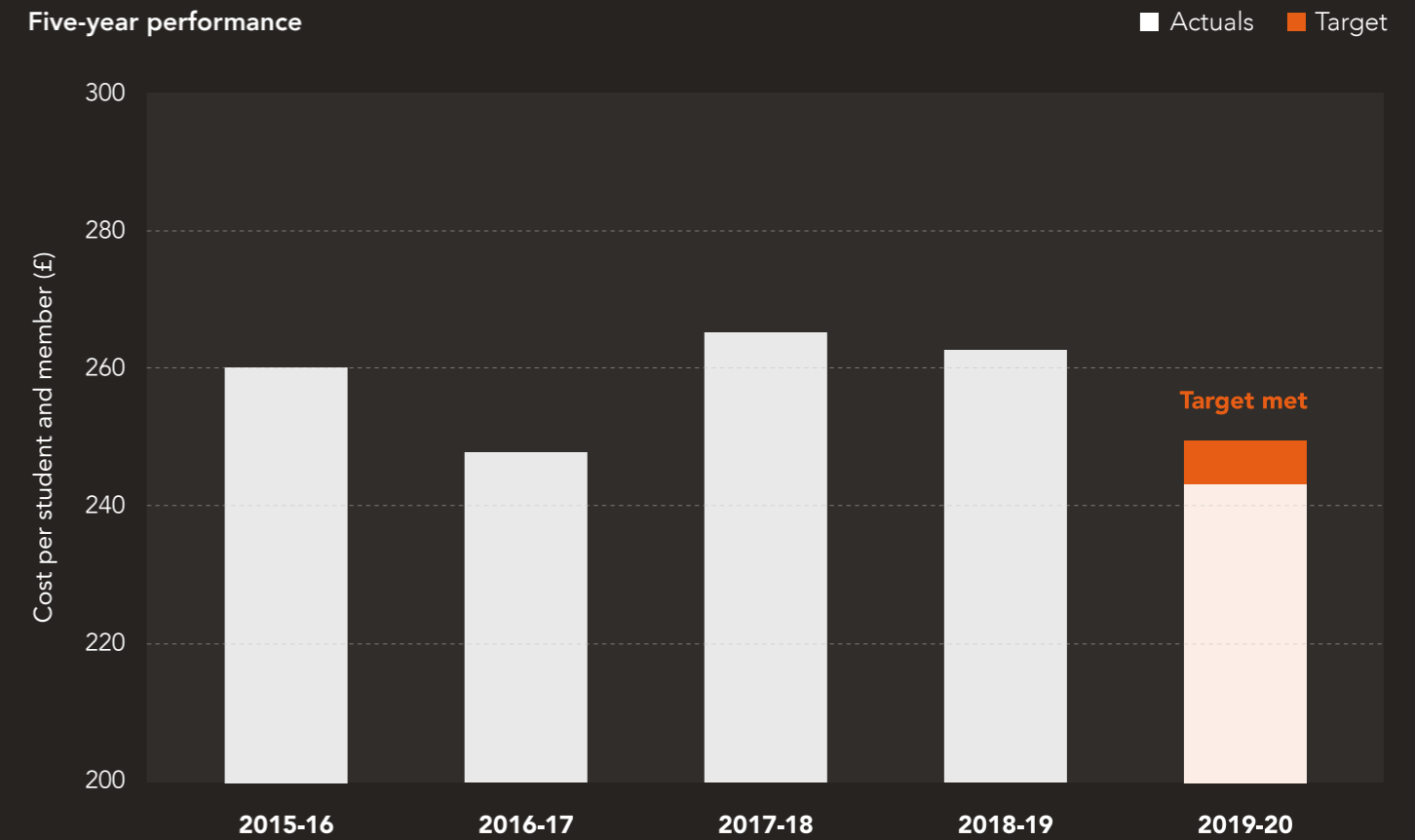


### Strategic measure applied

A basket of customer service measures (including call, email and web chat response rates, call abandonment rate, web chat abandonment, online applications processed and digital satisfaction), which provides a rounded picture of overall customer service.

## 3. Operational excellence across all aspects of our operations

Five-year performance



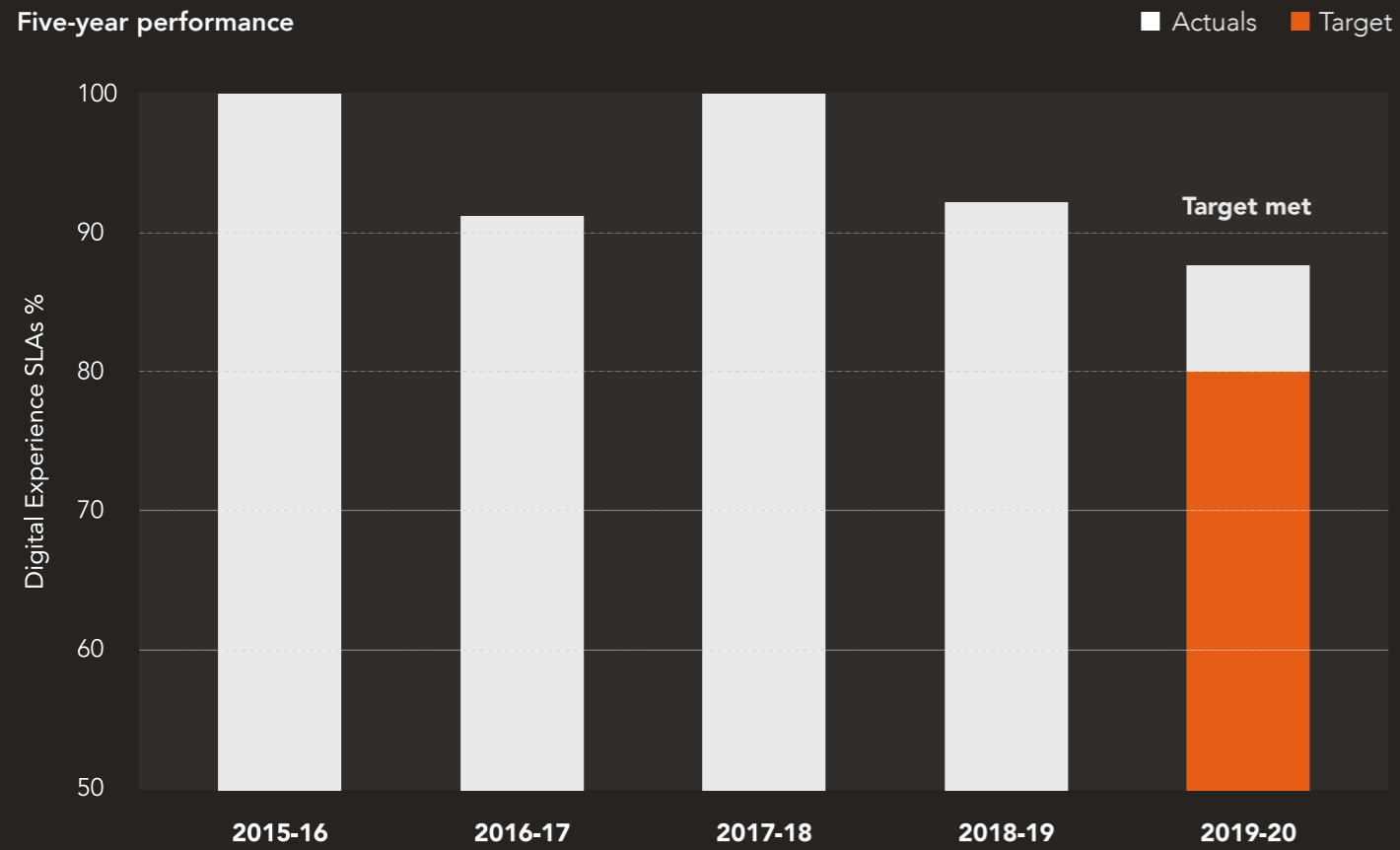
### Strategic measure applied

Operating costs per student and member against benchmark, which shows the cost-effectiveness of our service, compared with key competitors, and is taken as a proxy for the efficiency of our operations as a whole.



### 4. Flexible delivery: digitally enabled and flexible delivery that is responsive to evolving customer needs

Five-year performance



#### Strategic measure applied

Digital experience service level agreements (SLAs) across a basket of measures, including website availability, website response time and digital customer satisfaction, which provide time and quality metrics on our main digital services.

## Our risks and their management



**Risk management plays an integral part in helping ensure ACCA achieves its vision to be #1 in developing the accountancy profession the world needs.**

We consider risk across three broad types:

- risks to the accountancy profession and the value that accountancy brings to society
- risks to (the needs of) members, affiliates and students, and
- risks that if left to crystallise could impact on our ability to deliver our corporate plans, strategy and our long-term sustainability.

The overall objective of our Enterprise Risk Management (ERM) approach is to help link strategy and risks as clearly as possible so that our decision-making is transparent, both internally and externally, and based on robust evidence.

Our ERM approach ensures we have a holistic view of the risks and opportunities facing us, drawing on our internal skills and knowledge, the expertise of external parties and consideration of the wider environment in which we operate.

Eleven risks are currently held on our corporate-level risk register (10 for the year ended 31 March 2019).

Most of these risks are long-standing ones that are intrinsic to the achievement of our strategy and our operations as a global professional accountancy body. Two risks have been added during the past 12 months: the risks around the evolution and ongoing attractiveness of the ACCA Qualification and the profession as a career; and those associated with our significant programme of digital transformation.

The emergence of the Covid-19 pandemic during 2019–20 represents both a short-term threat to our operational environment as well as longer-term challenges to the attainment of our strategy to 2025, with prolonged economic disruption and societal changes influencing how the accountancy profession evolves. However, this uncertainty also represents opportunity, such as the acceleration of digital technology and ensuring that accountants have a key role in supporting economies to develop in alignment with the UN SDGs.

## Ownership and oversight

Our corporate risk register records the top cross-cutting risks and uncertainties we believe ACCA faces. These risks, should they crystallise, have been judged to pose a significant threat to the successful delivery of our strategy and to ACCA's longer-term sustainability.

Each corporate-level risk is owned by a member of the Executive team, with the entire team reviewing all corporate-level risks every month to reflect any market, legislative and/or operational developments, and adjusting mitigation and threat levels accordingly.

Our Audit Committee, comprised of Council members, exercises independent oversight of both ACCA's corporate risks and our Enterprise Risk Management Framework, providing assurance to ACCA's Council, via the Council Board, on the effectiveness of our risk management approach.

## Risk appetite statement

ACCA's risk appetite statement sets out how we balance risk and opportunity in pursuit of achieving our strategy and is set by the Executive team.

We seek to empower our employees to be dynamic and innovative when taking decisions and prioritise actions in terms of risk, cost and perceived benefits. However, we also look to balance this autonomy against appropriate degrees of control and rigour, and continue to act in a consistent and transparent way to ensure we provide maximum value to our members, future members and partners.

## Corporate risks and uncertainties

Risk	Key mitigations
Unable to accurately forecast income and costs	<ul style="list-style-type: none"> <li>• Monthly review of variances in key income streams</li> <li>• Quarterly forecasting of financial performance to give early warnings of shortfalls</li> <li>• Ongoing financial scenario development based on latest information</li> <li>• Key costs forecasted on driver-based modelling</li> <li>• Exam Forecasting Forum reviews exam volume forecasts in consideration of capacity</li> <li>• Strategic Response Team established to protect member, student and partner value and exam entries in response to Covid-19 outbreak</li> </ul>
Ability to operate is restricted	<ul style="list-style-type: none"> <li>• Monthly monitoring and escalation of recognition risks</li> <li>• Leveraging existing forms of recognition and partnerships across our markets, including those with national bodies, regulators and relevant ministerial authorities</li> <li>• Cross-functional support, expertise and collaboration to strengthen the profession, develop and deliver partnerships and market recognition initiatives for enhancement of global recognition portfolio</li> </ul>
Failure to comply with existing, changing or new regulatory or legislative requirements	<ul style="list-style-type: none"> <li>• Internal/external audit process in place to address compliance</li> <li>• In-country legal advisers identify changing and new legislation</li> <li>• Subject matter experts across ACCA provide expert compliance advice</li> <li>• Global compliance policies in place owned by the Compliance Review Group</li> </ul>
Loss of data or sensitive information	<ul style="list-style-type: none"> <li>• Regular reviews against ACCA's industry-standard controls framework to measure IT security status and maturity improvements and ensure targeted activities provide value to ACCA's overall cyber security posture</li> <li>• Cyber Security Team contributes to compliance and regulatory governance forums to ensure understanding of compliance position and requirements on ACCA</li> </ul>
Failures in our end-to-end exam processes	<ul style="list-style-type: none"> <li>• Robust end-to-end processes and controls</li> <li>• Contracts with strategic suppliers to ensure process deliveries within required performance measure and governance framework</li> <li>• Exam Contingency Group monitors and addresses potential and actual disruption to exams</li> <li>• Exam Contingency Group monitors and addresses potential and actual disruption to exams</li> <li>• Exams compensation and insurance policies in place</li> </ul>
Distribution network unable to support changes to ACCA's business model	<ul style="list-style-type: none"> <li>• Market Adoption Steering Group to support marketplace in embedding changes to ACCA Qualifications model</li> <li>• Increasing global computer-based exams capacity to support exam delivery</li> <li>• Global tutor support plan to support changes</li> </ul>

Risk	Key mitigations
Failure to comply with educational regulators' requirements	<ul style="list-style-type: none"> <li>• Quarterly review to confirm compliance with Ofqual conditions</li> <li>• Customer Service Regulatory Compliance Group established</li> <li>• Annual review and statement of compliance with Ofqual and SQA conditions</li> <li>• Continual improvement of production and delivery systems and/or processes to detect and prevent error</li> </ul>
Supporting expectations, and ensuring exam progression, while promoting inclusion	<ul style="list-style-type: none"> <li>• Enhancement of suite of learning support to remain relevant and engaging</li> <li>• Supporting capability building of learning partners and tutors to adapt to qualification changes and address market-specific challenges</li> <li>• Strategic partner approach with key Approved Learning Partners</li> <li>• Monitoring of student progression rates as early-warning indicator</li> </ul>
Challenges and opportunities arising as a result of the UK's exit from the EU	<ul style="list-style-type: none"> <li>• EU Exit Oversight and Working groups to oversee and direct risk and control activities</li> <li>• Scenario analysis undertaken covering ACCA people, procurement and supply chain, data, recognition (audit) and EU student flows, with action plans for each area</li> <li>• Representing interests of ACCA and our members through responding to consultations</li> <li>• Maintaining brand through messaging and guidance to ACCA members and other stakeholders</li> <li>• Detailed and ongoing engagement with regulators</li> <li>• Management of foreign exchange risk with forward hedge in place</li> </ul>
Digital transformation	<ul style="list-style-type: none"> <li>• Rolling external assurance plan in place for each financial year focused on benefits realisation, change management approach and areas of potential risk of scope creep</li> <li>• Monthly financial review meetings</li> <li>• Quarterly benefits review</li> <li>• Benefits tracked and incorporated into five-year plan and reviewed every six months</li> <li>• Digital Maturity Model to support realisation of benefits to both internal and external stakeholders</li> </ul>
Relevance and attractiveness of the accountancy profession	<ul style="list-style-type: none"> <li>• Developing a consistent, compelling message around why accountancy presents a strong and viable career</li> <li>• Review of member value proposition</li> <li>• Demonstrating our sustainability credentials</li> <li>• Enhanced segmentation of, and research into, prospect groups to better define outreach</li> </ul>



# 11

## Governance and leadership

### Governance developments in 2019–20

Following resolutions approved at the 2017 AGM, 2019–20 has seen us begin to implement a series of governance reforms. These reforms are designed to strengthen oversight and increase organisational agility, specifically by:

- ensuring members' interests continue to be well represented across ACCA's governance structures, with ACCA members remaining central in setting strategic direction and having oversight of the organisation
- strengthening Council's oversight in supporting and holding the Executive team to account for delivery of the strategy
- future-proofing our governance by giving us the ability to grow and flex our arrangements as ACCA evolves  
and
- enhancing the level of member engagement by Council members as required of a membership organisation of ACCA's size and scale

#### Introduction of the Council Board

In November 2019, we created a new Council Board. Reporting into the existing Council, the Council Board is designed to enable greater agility in decision-making and enhanced oversight. The Board has held two meetings during this reporting year.

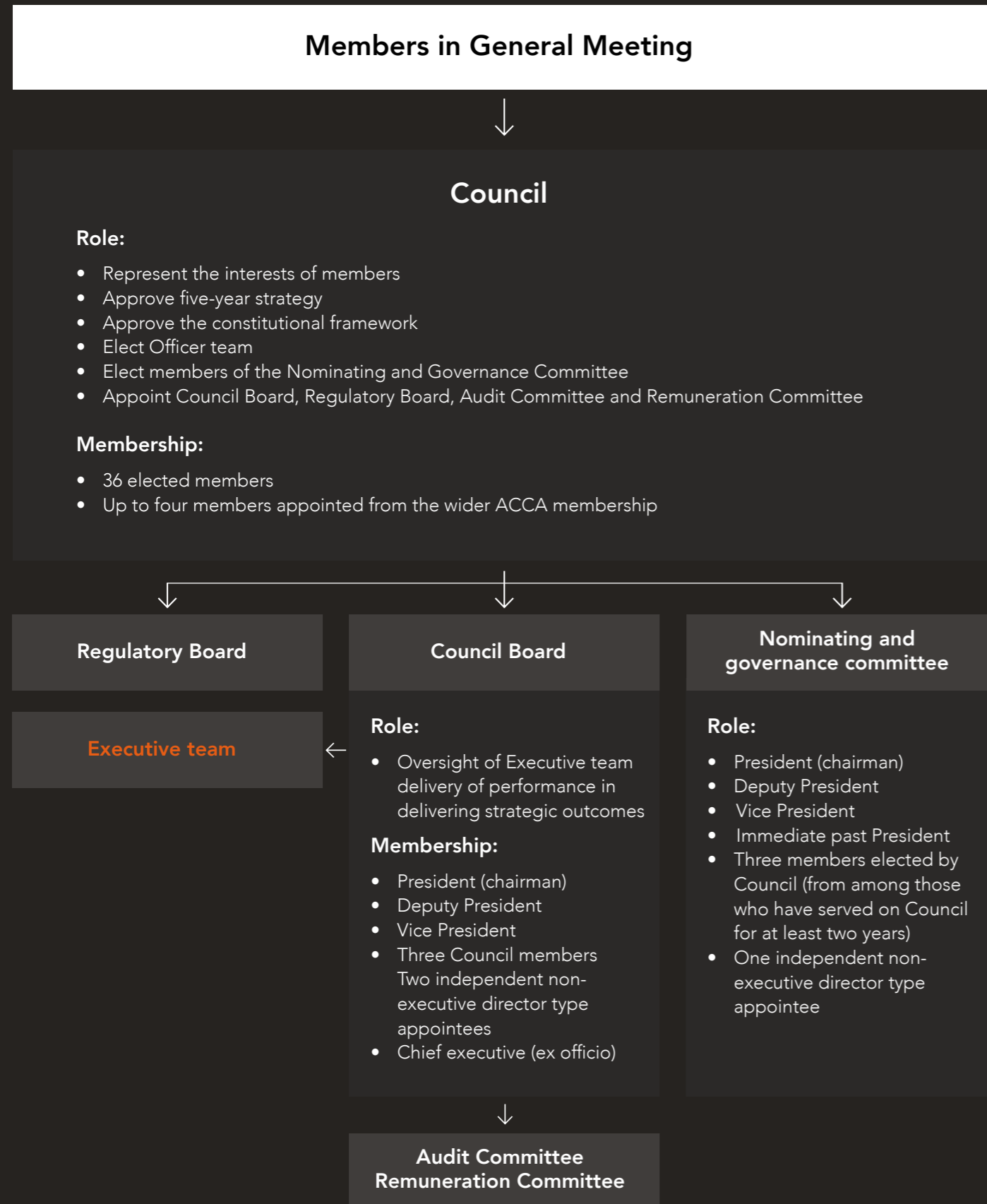
#### Streamlining of Council Committees

Alongside the introduction of the Council Board, we have streamlined the number of Council Committees, retaining Audit Committee, Remuneration Committee, and a combined Nominating and Governance Committee.

As a result, our governance model has been updated in 2019–20.

ACCA's Governance Model

— Governance remit — Operational remit



**Council - responsibilities and composition**

To fulfil its role as outlined, Council's main responsibilities are to:

- ensure that ACCA operates in the public interest and delivers the objectives stated in its Royal Charter
- set the overall direction of ACCA through its contribution to the design of strategy with the Executive team and its overall approval of ACCA's strategy
- elect a president, deputy president and vice president to function as the leadership of ACCA's membership
- act as ambassadors for ACCA and engage with ACCA members
- to explain and promote ACCA's strategic direction
- appoint a Council Board to ensure that effective governance structures are in place, which are aligned to the delivery of strategy and which provide appropriate challenge to, and oversight of, the Executive team's plans for the implementation of strategy, including the achievement of targets for performance and outcomes and
- provide assurance to members at large as to sound financial and general management through an Audit Committee reporting to the Council Board (although the appointment of external auditors is reserved to the Annual General Meeting).

**Council is currently composed of 39 members, 36 who have been directly elected and two who have been co-opted, plus the immediate past president**

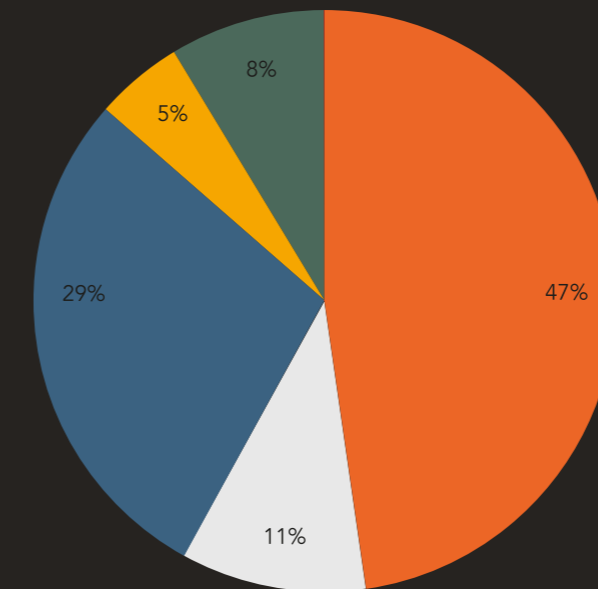
**Council 2019–20**

- Mohd Nasir Ahmad
- Susan Allan
- Liz Blackburn
- Carol-Ann Boothe
- Ben Catlin
- Hidy Chan
- Natalie Chan
- Rosanna Choi
- Orla Collins (vice president)
- Sharon Critchlow
- John Cullen
- Matt Dolphin
- Joyce Evans
- Jenny Gu (president)
- Cristina Gutu
- Datuk Zaiton Mohd Hassan
- Lorraine Holleway
- Michelle Hourican
- Paula Kensington
- Arthur Lee
- Dean Lee
- Dato' Lock Peng Kuan
- Ayla Majid
- Gillian McCreadie
- Mark Millar (deputy president)
- Brigitte Nangoyi Muyenga
- Amos Ng
- Joseph Owolabi
- Taiwo Oyedele
- Siobhan Pandya
- Ronnie Patton
- Melanie Proffitt
- Marta Rejman
- Brendan Sheehan
- Robert Stenhouse (past president)
- Dinusha Weerawardane
- Matthew Wong
- Alice Yip
- Phoebe Yu

**Council demographics**

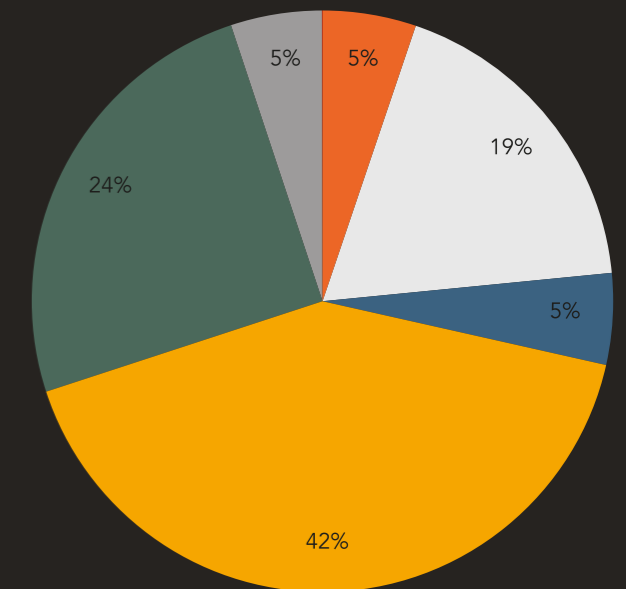
**Council - sector**

- Corporate
- Education
- Practice
- Professional services
- Public sector



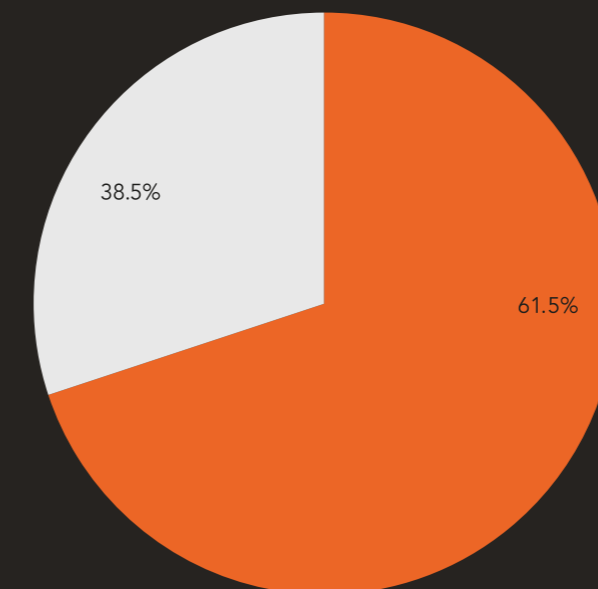
**Council - region**

- Africa
- ASEAN & ANZ
- Emerging markets
- Europe & Americas
- China
- Middle East & South Asia



**Council - gender**

- Female
- Male



Council held three meetings during the reporting year.

## Council Board – responsibilities and composition

To fulfil its role as outlined, the Council Board's chief responsibilities are:

- to oversee the Executive team's performance in delivering the five-year strategic outcomes set by Council
- to oversee resource utilisation throughout the organisation
- to approve annual targets (tracking performance against strategic outcomes)
- to approve enabling strategies to deliver Council's five-year strategy
- to be accountable, and report, to Council regarding performance in delivering the five-year strategy, and
- to oversee the work of the Audit and Remuneration Committees.

**There are nine places on the Council Board held by the president (chair of the Board), vice president, deputy president, three nominated Council members, two appointed independent Board members and the chief executive (ex officio).**

### Jenny Gu FCCA

Chair (president)



Currently working for the world's second-largest luxury goods group Richemont as the CEO for China, Jenny is responsible for overall operational leadership and support to enable and empower China strategy and operations for 14 world-famous 'maisons', including Cartier, Vacheron, Constantin and Chloe.

Prior to Richemont, Jenny gained over 28 years' experience in luxury, sports and retail, working in multinational companies and private equity firms, including Nike and TPG Capital, specialising in general management, sales and retail, finance, strategic planning and supply chain management, and company transformation. Jenny's career has spanned mainland China, US, Hong Kong SAR of China, Singapore and Taiwan.

Jenny has an executive MBA from Kellogg-HKUST. She has also both a master's degree and a bachelor's degree in philosophy from Fudan University.

### Mark Millar FCCA

Deputy president



Aged 18, Mark turned down a university place to join the UK's National Health Service (NHS) and study for the ACCA Qualification. After rising to finance director roles in the NHS, Mark moved on to chief executive positions at Milton Keynes University Hospital NHS Foundation Trust, Hinchingsbrooke Hospital NHS Trust, Hospitals, Hounslow and Richmond Community Health services, and Southern Norfolk Primary Care Trust, as well as serving as non-executive director of Royal Papworth Hospital NHS Foundation Trust. He continues to be involved in NHS advisory committees.

Subsequently working in the charity sector, Mark retired from his post of chief executive at St Elizabeth Hospice in Ipswich in January 2020.

Mark has long been involved with our UK Health Panel, served on our International Assembly for two terms and joined Council in 2010.

### Orla Collins FCCA

Vice president



Orla is interim managing director at Aberdeen Standard Investments Ireland. Before joining Aberdeen Standard Investments, she held a number of senior roles within the financial services industry including at Standard Life, Bank of Ireland and Pioneer Investments.

Orla is a qualified financial adviser, a member of the Institute of Bankers and a licentiate of the Association of Compliance Officers of Ireland. She's part of our ACCA Ireland members' committee and was its president in 2010-11.

### Mohd Nasir Ahmad FCCA

Council member



Nasir Ahmad's accounting career started at Malaysia's national power company, Tenaga Nasional, where he held various accounting and finance roles before becoming CEO of Malaysia Transformer Manufacturing in 1994.

He then joined SPK as CEO in 2000. From 2001–11, he was CEO of Perbadanan Usahawan Nasional, the national entrepreneur development corporation.

He is currently chairman of CIMB Group Holdings and CIMB Bank (Cambodia). He also sits as independent director on the boards of CIMB Bank, SIRIM, Prokhas and as a member of the board of trustees of Yayasan Canselor UNITEN.

Nasir Ahmad is a former president of both the ACCA Malaysia Advisory Committee and the Malaysian Institute of Accountants.

## Ayla Majid FCCA

Council member



Ayla Majid is managing director financial advisory at Khalid Majid Rehman in Pakistan. She has 20 years of experience in transaction advisory, mergers and acquisitions, and corporate governance.

She is an international speaker and a strong advocate of sustainability, contributing to important themes such as digital transformation, Belt and Road Initiative, the future of work, the future of energy and sustainable infrastructure.

An independent director on boards in the energy, pharmaceutical and not-for-profit sectors, Ayla is both a Young Global Leader and a member of the Global Future Council of Energy of the World Economic Forum.

Ayla holds an MBA degree from Lahore University of Management Sciences and an LLB (Hons) from the University of London. She is also alumnus of Harvard Kennedy School, University of Oxford and Nanyang Technological University.

## Lorraine Holleway FCCA

Council member



Lorraine has built her professional career in the oil and gas Industry with Shell, working in the UK, Netherlands and Middle East over the past 22 years.

Lorraine has worked in various roles across finance including operations manager within shared services, group reporting analyst and finance manager for Shell in the Netherlands. Lorraine is currently Shell's finance controller in Qatar.

An ACCA Board member since 2019 and Council Member since 2013, Lorraine has previously chaired ACCA's Resource Oversight Committee and participated in the ACCA Audit and Market Oversight Committees.

She specialises in accounting policies, financial reporting and continuous improvement, and has a passion for developing others through coaching and mentoring.

## Anand Aithal

Non-Council member



Anand brings significant experience in financial analysis, data analytics, fintech, economics, professional services and government to the Council Board.

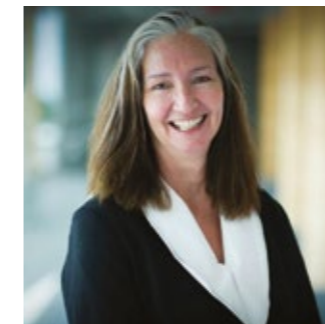
He is currently a non-executive board member of the UK Cabinet Office and a non-executive director of Lifescale, a financial technology firm.

He is a trustee of two charities, Aldridge Education and Restless Development, that have a strong focus on social mobility, international development and youth employment.

Anand was previously a co-founder of Amba Investment Services, now Acuity Knowledge Partners, and a managing director at Goldman Sachs. He has lived and worked in the UK, Hong Kong SAR, Singapore, India, Sri Lanka, Costa Rica and the US. He holds an MA in economics from Cambridge University.

## Daryl Fielding

Non-Council member



Daryl brings senior leadership experience in large, global and complex commercial organisations and deep experience of marketing to the Council Board.

She now has a portfolio of executive and non-executive roles. She is CEO of The Marketing Academy Foundation, a charity enabling young adults from tough backgrounds to start a career in marketing and is a trustee of The British Heart Foundation and Pelican Cancer Foundation.

Prior to this, she was brand marketing director at Vodafone UK, vice president, marketing at Mondelez Europe and commercial director of Independent Newspapers. Her advertising agency career highlights were leading Dove's global "Campaign for Real Beauty" and New Labour's advertising in the 1997 UK General Election.

She has lived in the UK and Switzerland and has a first-class BSc in Physiology from the University of London.



## Helen Brand OBE

Chief executive (ex officio)



Helen has built her career within professional bodies and has considerable experience and knowledge of the 176 markets across which ACCA currently operates. She's worked closely with the International Federation of Accountants in an advisory capacity over many years and is a founding member of the International Integrated Reporting Council (IIRC) and vice chair of the IIRC board.

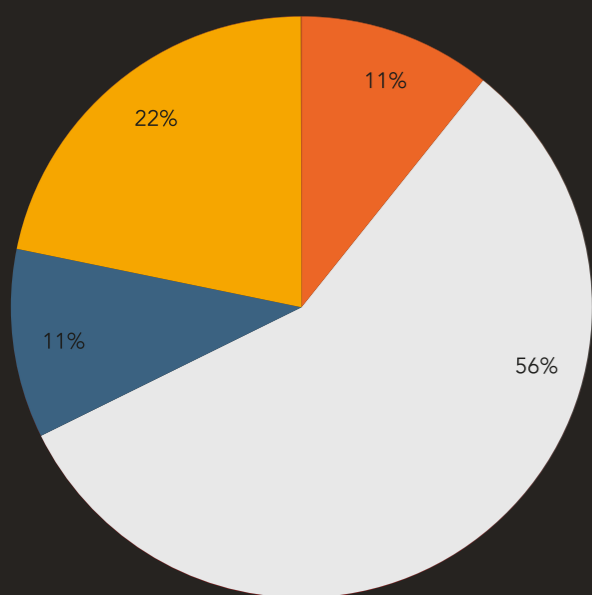
A passionate advocate for the role ethics and the delivery of public value play in business and society, she was instrumental in ACCA becoming the first international professional body to publish an integrated report on its performance in 2011.

Board members are appointed for a one-year term.

## Council Board demographics

### Council Board - region

- ASEAN & ANZ
- Europe and Americas
- China
- Middle East and South Asia



## International Assembly

In addition to these formal governance bodies, ACCA also has a global representational body of members, the International Assembly, which contributes to the formulation and development of Council's strategy by ensuring that it reflects and is relevant to the challenges facing the organisation and its members globally.

## Future governance developments

From 2020 onwards, we'll begin to implement changes to the composition of Council, increasing the number of seats to 45 and introducing a series of measures to ensure reflective geographical representation of our global membership.

## Executive team

ACCA's Executive team, led by the chief executive, is responsible for the delivery of ACCA's agreed strategy and leading ACCA's operations. The team consists of the chief executive and six executive directors. They are supported by a wider global leadership group of directors and other senior employees with significant operational and strategic responsibilities.

### ACCA's Executive team are:

- Helen Brand, chief executive**
- Alan Hatfield, executive director – strategy and development**
- Julie Hotchkiss, executive director – people**
- Raymond Jack, executive director – finance and operations**
- Maggie McGhee, executive director – governance**
- Lucia Real Martin, lead market director**  
(appointed 1 April 2019 for 12 months)
- Leong Soo Yee, lead market director**  
(appointed 1 April 2019 for 12 months).

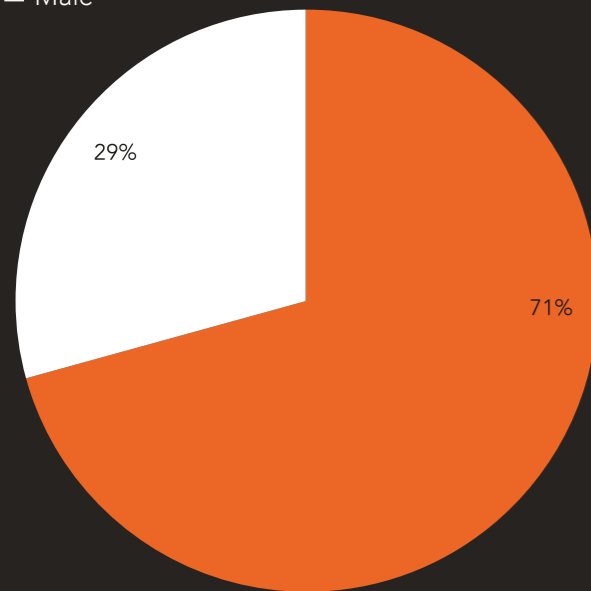
Biographies of Executive team members are online at: <https://www.accaglobal.com/uk/en/about-us/who-we-are/meet-executive-team.html>

Lucia and Soo Yee become permanent members of the Executive team, responsible for leading markets activity, from 1 April 2020.

## Executive team demographics

### Executive team - gender

- Female
- Male



Five of the team members are based in the UK, one is based in the Netherlands and one is based in Singapore.

## Executive team reward plan

Payment under the reward plan is determined by performance against the six strategic key performance indicators (KPIs) agreed by Council. This reward is a non-consolidated payment of up to 25% of the base salary of each Executive team member, 20% of which relates entirely to ACCA's strategic performance (as detailed on pages p42-57), with the remaining 5% allocated for personal performance. This arrangement is structured to reward behaviour and performance that is appropriate for ACCA and to focus the organisation on those elements of ACCA's strategy to 2020 that Council believes require the greatest focus at a particular point in time.

The Remuneration Committee determines the level of award achieved against ACCA targets for all executive directors alongside the level of award against personal targets for the chief executive. In turn, the chief executive determines how much of the 5% personal performance award is allocated to each of the executive directors. The chief executive is not present when her remuneration is discussed.

## Executive team reward plan cont.

In assessing ACCA performance, the framework includes the six measures and targets agreed by Council, all of which are externally audited. The Remuneration Committee agrees up to two 'focus' measures that determine the award size. Each KPI modifier missed will reduce the level of bonus earned under the focus measures by 10%, with the exception of budgeted net operating surplus/deficit, which will account for a 30% reduction in the level of award if it is missed. In this way, the Remuneration Committee seeks to ensure that it is reinforcing the importance of strong performance across ACCA's balanced scorecard.

This is a fair, transparent reward solution that has been created in line with ACCA's reward principles, supporting the achievement of our strategy and assessing performance over a meaningful period that reflects our focus on sustained performance, suitable for a long-term business. The basis of the award is transparent through the use of relevant and measurable performance targets that are clearly linked to driving value.

The Remuneration Committee has complete and sole discretion to moderate (up or down – including to 0%) the level of award determined if it does not believe the level adequately reflects underlying corporate performance or for any other reason.

The total salary (including bonus and allowances) and benefits of the chief executive for the year ended 31 March 2020 was £417,424 (£441,427 for the year ended 31 March 2019). This includes a fixed non-pensionable allowance in lieu of pension benefits, introduced in August 2013 when the chief executive agreed to vary her contract of employment following the closure of the defined benefit pension scheme and an additional allowance in lieu of pension contributions.

Executive team salaries are benchmarked annually by independent experts from Aon. When reviewing the salaries of the members of the Executive team, the Remuneration Committee takes into account the salary increases applying to the rest of the workforce and external benchmark data collected by Aon.

External remuneration benchmark data is obtained primarily against general industry and also with a focus on pay in other professional membership associations (including a sub-group of accountancy associations, with a particular focus on those bodies that ACCA measures itself against in the market share element of our brand power measure). Salaries are within 80% to 120% of the benchmarked range, depending on experience, expertise and the organisation's need to retain.

The base salaries of the chief executive and executive directors at 31 March 2020 are shown below on a banded basis:

	Number of employees (2019–20)	Number of employees (2018–19)
£340,000 – £369,999	1	0
£310,000 – £339,999	0	1
£220,000 – £249,999	1	1
£190,000 – £219,999	5	2
£160,000 – £189,999	0	2

## Remuneration for 2019–20

During 2019–20, the total reward distributed to the Executive team (including the chief executive) was £65,421 based on performance for the year ended 31 March 2019 (£185,083 for the year ended 31 March 2018).

In light of the economic environment and uncertainty created by the Covid-19 outbreak, the chief executive recommended to the Remuneration Committee that the Executive team will forgo any performance-related remuneration in respect of 2019-20 performance and their salaries should be frozen for the coming year. The Committee approved these proposals.

## Strategy to 2025, measures and targets



**Each new strategy is designed to enable ACCA to focus on, and invest in, activity that ensures it remains a successful and sustainable organisation, able to meet the changing needs of members, future members and other stakeholders.**

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Council approved the strategy to 2025 in September 2019. The overall vision we are seeking to achieve through this strategy remains to be **#1 in developing the accountancy profession the world needs.**

We have also taken this opportunity to re-look at how we express the fundamental reasons for ACCA's existence and the values that drive us.

Responding to the issues of trust in the profession and the responsibility organisations have for meeting societal needs (not least through helping deliver the UN Sustainable Development Goals), we have introduced a more focused purpose statement, emphasising the importance of being seen to be a force for good. We have also refined and updated how we describe our values, so that they resonate more strongly with our community and wider society.

The strategy to 2025 is an evolution of the approach that has taken ACCA to 2020. It builds on the progress made over the past five years and is designed to ensure the ongoing success and sustainability of ACCA by:

- fully maximising and building on the assets we already have, and are continuing to create, through our digital transformation
- providing the strategic flexibility and resilience to meet the challenges of a rapidly changing external environment, and
- developing the agility to swiftly take advantage of new opportunities that deliver value, create growth and ensure financial sustainability.

To deliver our vision, ACCA needs to continue to transform and evolve, and maximise the impact of everything we deliver in a focused way. This has led to simplifying and sharpening our focus to 2025, pursuing fewer outcomes but with each carrying greater weight in taking ACCA forward.

**ACCA's strategy to 2025 sets out how we will secure a vibrant future for ACCA by fulfilling our purpose and remaining true to our values.**

**– Lead**

Our proud, connected community delivers change for public good.

**– Create**

Our unique knowledge enables us to shape the future and create long-term value.



**Create:**

**Knowledge**

**Our unique knowledge enables us to shape the future and create long-term value**

To deliver this strategic outcome, our ambitions focus on two key elements — *knowledge and value*. Between now and 2025 our ambition is to:

- Be the global leader in identifying emerging issues and opportunities for the profession, defining the way forward
- Leverage the collective expertise of our community to develop world-class insights
- Develop a deep understanding of our diverse community to anticipate what the marketplace and the world needs
- Provide every part of our community with access to the knowledge they need to succeed in a changing world
- Share ACCA's knowledge to shape the profession for the benefit of business and society.

**Value**

- Ensure the ACCA Qualification remains the first-choice global professional accountancy qualification for employers in all sectors
- Ensure our future members are informed, motivated and supported to successfully progress to ACCA membership
- Support our members, future members and continuous learners to enjoy dynamic and flexible careers both now and in the future
- Support employers to build the capability of their teams, embedding ethics and professionalism across global business
- Use our unique knowledge to innovate, developing forward-thinking solutions to keep ACCA and the profession relevant and deliver value to the world.

**Lead:**

**Our proud, connected community delivers change for public good**

To deliver this strategic outcome, our ambitions focus on two key elements — *business and society and community*. Between now and 2025 our ambition is to:

- Build an inclusive global profession, which supports the development of ethical, sustainable and successful businesses and economies
- Ensure everybody has access to a quality finance and accountancy education to achieve their aspirations
- Promote ACCA as a trusted, forward looking brand that inspires business leaders, employers and decision makers
- Influence governments, policy makers and regulators to draw on our global perspective to develop the profession
- Ensure our members are recognised as ethical, strategic professionals that drive trust in business for public good.

**Business and society**

**Community**

- Maximise ACCA’s role as a super-connector, drawing on our global presence to facilitate connections that deliver value
- Transform our network into a proud, connected community with members and future members at its heart
- Facilitate ACCA’s community to think ahead and drive positive change
- Draw on the community’s collective experience to establish ACCA as a global voice leading the profession, reinforcing our reputation for bold leadership
- Inspire people, employers, educators and organisations everywhere to join ACCA’s growing and evolving community.

**Through it, we support the delivery of the UN Sustainable Development Goals, in particular:**



To achieve our Create and Lead outcomes, we will focus on building our strategic and operational capabilities, through an underpinning Deliver outcome. We'll focus on building our capabilities in three key areas: partners, talent and digital.

Between now and 2025 our intention is to change continually in order to deliver the strategy:

### Partners

Seek bold and exciting partnerships that combine our brand power and influence, so we can lead together

Develop and nurture partnerships based on shared values that drive forward the delivery of our strategy

Draw on our talent and digital capabilities to develop a deep understanding of partners' needs and aspirations, and identify new opportunities

Seek to co-create solutions with our partners that create mutual and sustainable value

Share knowledge and expertise, and facilitate connections with our partners to benefit our community, the profession and society

### Talent

Build a values-driven organisation where people and teams are aligned to the strategy and work together towards our shared ambitions

Develop trusted leaders who connect, inspire and empower teams to deliver value and achieve success in an environment of change

Embrace the diverse thinking and insight of our people to ensure we take a global view and maximise opportunities and connections across our community

Embed a customer-centric mindset across ACCA, ensuring the decisions we make and the solutions we develop offer maximum customer value

Develop people and teams that are adaptable, ready to embrace new thinking and technology to create and deliver solutions at speed

Deploy ACCA resources in the most efficient way to create long-term value and ensure a successful and sustainable future for ACCA

### Digital

Develop the digital and technological capabilities that support the delivery of our strategy

Ensure that people and organisations can trust us with their data

Capture high quality data leading to information and insights that enable better, faster decisions

Deliver a globally consistent, relevant and increasingly personalised experience for customers and teams

Maximise the use of technology to innovate and deliver solutions at speed to the marketplace

Capitalise on our evolving digital capabilities, driving continual improvements and embracing change so we can constantly re-imagine how we deliver success

Targets will be set by the Executive team for these areas of delivery in order to drive organisational progress and will not be linked to remuneration.

## Our strategic focus in 2020–21

We'll assess progress against the strategy to 2025 through seven measures, continuing to adopt a balanced scorecard approach. Council Board will agree targets for all these measures annually.

However, for 2020–21, we'll deploy a reduced and sharpened focus, designed to help ACCA respond to the Covid-19 crisis in the most agile and sustainable way. This will see us apply a critical strategic focus to:

- **exam delivery and innovation:** we want to ensure our exam delivery continues to evolve as the conditions become right for students to sit exams. That includes continuing to roll out computer-based exams at the Strategic Professional level, bringing the market with us as we do so. And to ensure that our students can continue to progress, we are accelerating our exploration of remote exam supervision.
- **member and future member support and retention:** our members and future members are at the heart of ACCA, and supporting them through the Covid-19 pandemic and its economic consequences is an absolute priority. In these challenging times, we must be primed and ready to truly demonstrate the ongoing value of membership. If we truly understand and support our community, we will be able to retain them, create ACCA advocates for the future, and also deliver the trusted professional accountancy community the world needs.
- **financial sustainability:** in challenging circumstances, we will have a laser focus on costs and plan for a range of scenarios with associated mitigations.

Strategic outcome	Measure	2020–21 focus targets
Vision	# of members	Member retention
Lead	Brand trust (four measures) <ul style="list-style-type: none"> <li>Innovation: % agree that ACCA shapes the accountancy profession</li> <li>Integrity: % agree that ACCA promotes the highest professional and ethical standards</li> <li>Inclusion: % agree that ACCA acts with members' and future members' best interests at heart</li> <li>Market share</li> </ul>	
Business and society	Financial sustainability	Surplus/deficit before tax
Community	Net promoter score (NPS)	
Create	# of future members	Future member retention
Knowledge	% agree that ACCA understands my needs as a member/future member	
Value	Progression (formed of three measures) <ul style="list-style-type: none"> <li># of exam entries</li> <li>% passing ACCA exams in a year</li> <li>% of affiliates achieving membership within four years</li> </ul>	

## Targets in 2020–21

In line with the areas of critical strategic focus we've identified to respond to the challenges and demands of the Covid-19 outbreak, the Council Board has set the following targets for the coming year:

Critical strategic focus measure	2020–21 target
Member retention	<b>94.7%</b>
Future member retention	<b>82.1%</b>
Inclusion: % agree that ACCA acts with members' and future members' best interests at heart	<b>70%</b>
Surplus/(deficit) before tax	<b>-£8.9m</b>

We'll continue to monitor the other measures on the balanced scorecard for the basis of our planning and future target setting.

While we're retaining a flexible approach to targets and focus for future years, our current intention is to move to formally measuring against all seven outcomes in 2021-22.



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**Think Ahead**