



INTEGRATION / TRANSPARENCY / ACCOUNTABILITY

LISTENING AND RESPONDING ▶



**THIS IS OUR FIRST INTEGRATED REPORT.
IN IT, WE ARE AIMING TO TELL A CLEAR AND
COHERENT STORY ABOUT ACCA'S STRATEGIC
PERFORMANCE AND FUTURE PROSPECTS.**

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ABOUT THIS REPORT >

THIS IS OUR FIRST INTEGRATED REPORT. IN IT, WE ARE AIMING TO TELL A CLEAR AND COHERENT STORY ABOUT ACCA'S STRATEGIC PERFORMANCE AND FUTURE PROSPECTS. MOST IMPORTANTLY, WE ARE USING THIS REPORT TO EXPLAIN HOW WE CREATE VALUE FOR OUR STAKEHOLDERS – PRIMARILY OUR MEMBERS – AND THE PLACE WE OCCUPY IN SOCIETY.

What is integrated reporting?

Integrated reporting is designed to bring together the material information about an organisation's strategy, governance, performance and prospects in a way that reflects the commercial, social, and environmental context within which it operates. The movement towards integrated reporting is being led by the International Integrated Reporting Council (IIRC) with the aim of creating a new form of external reporting that meets the more complex and connected needs of stakeholders. In doing this, integrated reporting is designed to show how an organisation creates value, in its widest sense, now and in the future.

ACCA and integrated reporting

ACCA is becoming an influential player in the integrated reporting movement, playing a full role in the work of the IIRC and participating in its pilot programme. More widely, ACCA continues to undertake research into trends and developments in corporate reporting and has embraced the need for change to meet the expectations of stakeholders. We have been pleased to see the continuing importance attached to global standards in reporting by business leaders and investors, according to our research. We have helped promote the work of the IIRC, in particular its 2011 discussion paper, and have held forums and events to ensure broad input from around the world into the development of the <IR> framework. At its heart, and building on the work of HRH The Prince of Wales's Accounting for Sustainability project, we welcome the opportunity for <IR> to facilitate a better focus by business on sustainability.



WE HAVE ENHANCED THE TRANSPARENCY AND RANGE OF OUR REPORTING IN RECENT YEARS. WE PRODUCED OUR FIRST CSR REPORT IN 2009 AND WE ARE KEEN TO BUILD ON THIS SO WE CAN CONTINUE TO IMPROVE OUR ACCOUNTABILITY.

ASSURANCE ▶

Our reporting

We have enhanced the transparency and range of our reporting in recent years. We produced our first CSR report in 2009 and we are keen to build on this so we can continue to improve our accountability. Moving towards integrated reporting is the next step in the evolution of our reporting.

Integrated reporting is an emerging discipline. As this is our first attempt at producing such a report, it is unlikely that we will have got everything right. But we believe it is important to start the journey now. This is why we are one of only a few professional accountancy bodies which are part of the IIRC's pilot programme, alongside a range of leading corporates. In keeping with the current thinking of IIRC, we have focused on areas such as materiality and the capitals we employ to develop the report itself. We have also worked to integrate the reporting process across all areas of strategy, governance, performance and control within ACCA, and are starting to embed this integration from Council and oversight through to individual team operating plans.

We will develop our reporting through stakeholder feedback, to make sure it provides the right kind of information for your needs. We welcome any feedback you have on how we can improve what we report – tell us what you think at [@externalreporting](https://twitter.com/externalreporting) or externalreporting@accaglobal.com

OUR LONG-TERM AIM IS TO HAVE OUR INTEGRATED REPORT ASSURED. HOWEVER, AS INTEGRATED REPORTING IS STILL IN ITS INFANCY, SPECIFIC GUIDELINES ON ASSURANCE DO NOT YET EXIST. OUR REPORT HAS NOT, THEREFORE, BEEN ASSURED AS A WHOLE.

The entirety of the report is approved by our Executive Team and by Council. However, the report does include information which has been extracted from reports which have been assured as a whole. This includes information extracted from:

- > our full financial statements – these have been prepared in accordance with IFRS (as adopted by the European Union) and have been audited by BDO LLP (in accordance with International Standards on Auditing – UK and Ireland)
- > our CSR statement – which we assess against the Global Reporting Initiative's G3 guidelines. GRI has confirmed that we have met Level C status.

Our full financial statements, corporate governance statement and CSR statement can be found online at: www.accaglobal.com

In addition, the sections on **Our strategic performance** and **Our financial performance** include performance against strategic targets which are assured by our external auditors by means of an audit of our key performance indicators and the full annual audit of our consolidated accounts.

As integrated reporting develops further, we will assess the extent to which overall assurance can be provided.

PRESIDENT'S INTRODUCTION



Dean Westcott
ACCA president



ACCA CONTINUES TO PURSUE AN AGENDA OF CHANGE WITHIN THE GLOBAL PROFESSION TO ENSURE THAT IT OFFERS AN ACCESSIBLE AND RELEVANT CAREER TO A DIVERSE RANGE OF PEOPLE AND BRINGS VALUE TO BUSINESS AND THE WIDER PUBLIC.



IT HAS BEEN A PRIVILEGE TO SERVE AS ACCA'S PRESIDENT DURING 2011-12 – A YEAR WHICH HAS SEEN SIGNIFICANT ADVANCES IN THE WAY ACCA OPERATES IN ORDER TO DELIVER EVEN GREATER VALUE TO ITS STAKEHOLDERS. IT IS ALSO A YEAR IN WHICH WE HAVE SEEN SIGNIFICANT PUBLIC DEBATES ON THE ROLE OF THE GLOBAL PROFESSION, ESPECIALLY ON REGULATION.

An agenda of global relevance

ACCA continues to pursue an agenda of change within the global profession to ensure that it offers an accessible and relevant career to a diverse range of people and brings value to business and the wider public. Over the past year, ACCA has continued to make important contributions to the public debate on regulation – calling for a more joined-up approach which, while protecting the public, works for business and enhances investor confidence. We have also highlighted the continuing needs of accountants in business and the transformation we see going on in finance functions around the world to meet demanding business environments. And we have continued to look at ways in which governments can strengthen accountability through the work of the public sector.

To inform this work, Council was pleased to see that in 2011, we launched new Global Forums to provide global input to ACCA's wide-ranging technical agenda. The Global Forums bring together leading employers, members and other subject matter experts from 33 countries to help shape and inform our policy and to ensure it brings an international perspective drawn from best practice around the world.

Global presence

Through the process of stakeholder engagement we have undertaken, the issue of most relevance and importance is ACCA's global presence. This resonates especially strongly with our members. Wherever members are based, they see the value of, and have considerable pride in, ACCA's global reach and influence. The value this delivers to individuals, businesses and economies around the world is undeniable and, during my presidency, I have had the privilege of being able to witness this first-hand.

In the past year, ACCA has strengthened its international network with new appointments in key markets and important new and renewed global accountancy partnerships. By progressively centralising transactional contact for members and students, ACCA is also enabling its unrivalled network of offices around the world to focus exclusively on value-adding work which will advance ACCA's reputation and influence nationally and regionally.

Greater transparency

Another advance this year is the approach ACCA is taking to reporting on its annual performance. ACCA has been involved in the work of the IIRC since its inception and welcomed its potential to strengthen the relevance of corporate reporting to investors and other stakeholders.

ACCA has also joined the IIRC's official pilot programme, a group of organisations which are committed to the integrated reporting agenda. Council is pleased to see that this report has been developed as an integrated report and that ACCA is therefore at the forefront of organisations making this step. We certainly aim to learn from the process and use it as an approach to strengthen our integration and strategic oversight within the organisation.

By moving towards a more integrated form of reporting, we are sharing fuller and more relevant information on the progress made towards ACCA's strategic vision, in the interests of transparency and good practice. In fact, this report includes extensive detail and measurement on the organisation and our outcomes. It is an approach that both highlights ACCA's achievements – which are many and varied, as shown in the pages that follow – and is more explicit about what ACCA will focus on in the future in order to deliver its strategy to 2015. It is also an approach which aims to report on what is most important to our stakeholders – not least our members and future members.

I hope this report illustrates the commitment Council and ACCA's Executive Team have made to ensure that ACCA is recognised as the leading global professional accountancy body in reputation, influence and size, and the demonstrable progress made towards this over the past year.

I would like to thank my Council colleagues and ACCA's employees for their passion, hard work and commitment to delivering what is an ambitious vision for the future. I also thank our members for the part they play, every day, right around the world, in making economies and businesses fitter and stronger, and for their continued support of their professional body.

KEY ACHIEVEMENTS IN 2011-12

ACCA's key achievements for the year are summarised below. We have focused on our performance against our measures for the 2015 strategy, through which ACCA aims to become the leading global professional accountancy body in reputation, influence and size. We give particular

attention to areas found to be of importance to stakeholders, including members, identified through our materiality analysis which has formed a central part of the development of our first integrated report.

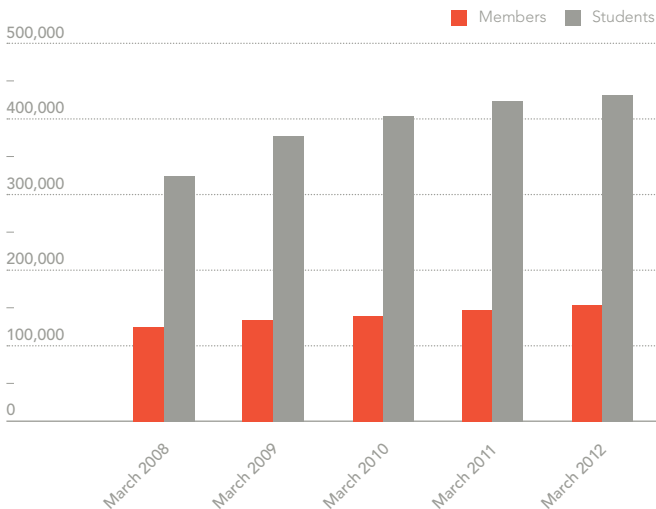


154,337 > MEMBERS GLOBALLY
432,396 > STUDENTS GLOBALLY



NUMBERS ARE UP FROM 147,265 MEMBERS IN 2010-11 (4.8% GROWTH) AND 423,935 STUDENTS (2.0% GROWTH) IN 2010-11.

Membership growth



Membership by region

Region	Total Members	Total Students*	Regional Total	% Increase
Asia Pacific	43,704	113,623	157,327	4.4%
Middle East, North Africa and South Asia	3,893	77,372	81,265	1.3%
Sub-Saharan Africa	9,964	81,759	91,723	0.1%
Europe and Americas	96,776	159,642	256,418	3.1%
TOTAL	154,337	432,396	586,733	2.7%

*Includes affiliates.

98.5%

MEMBER RETENTION

WE EXCEEDED OUR TARGET OF 98.3%, DEMONSTRATING THE VALUE MEMBERS DERIVE FROM THE ACCA QUALIFICATION. IN A SURVEY, MEMBERS SAID THEY THOUGHT ACCA OFFERED BEST OVERALL VALUE IN TERMS OF THE MEMBERSHIP SUBSCRIPTION FEE AMONG INTERNATIONAL BODIES.



ENHANCING OUR PUBLIC VOICE



We increased our reputation as a body advocating global policy positions which promote public value, according to an independent survey of employers of accountants. This is important at a time of enhanced scrutiny of the profession from key regulators and policymakers around the world. ACCA is responding by calling for standards to be developed which protect the public interest, work for business and enhance investor confidence.



Launching our ten new Global Forums to give us relevant, global input into our technical agenda

In September 2011, we reinvigorated our research and technical agenda with the creation of new, international forums, bringing together expertise from all sectors around the world to tackle issues that are critical to the future of the profession and global business.



Developing the accountancy profession in Singapore

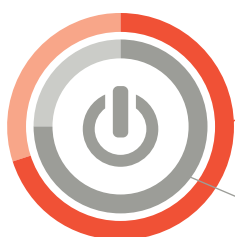
ACCA was proud to be awarded the tender by the Pro-Tem Singapore Accountancy Council to develop a new post-university professional qualification for Singapore.

77.2%



Member and student satisfaction

We have maintained a high level of overall customer satisfaction, with scores remaining consistent with results for 2010-11.



70% MEMBERS

75% STUDENTS

Improving our digital offerings, making us much easier to do business with online

Sustained investment in customer service over the past 12 months has seen customer service and IT service level agreements reached and the online customer experience improved. 75% of students and 70% of members now say that ACCA is easy to do business with online.



24/7

ACCA CONNECT, OUR GLOBAL CONTACT CENTRE, NOW OPERATING 24/7 365

IN SEPTEMBER 2011, ACCA BECAME THE FIRST PROFESSIONAL ACCOUNTANCY BODY TO PROVIDE THIS ROUND-THE-CLOCK CONTACT SERVICE.

More overleaf >



REDUCING THE TIME WE TAKE TO ISSUE EXAM RESULTS BY ONE FULL WEEK

As a result of better and faster processes, we have been able to reduce the amount of time students have to wait for exam results.



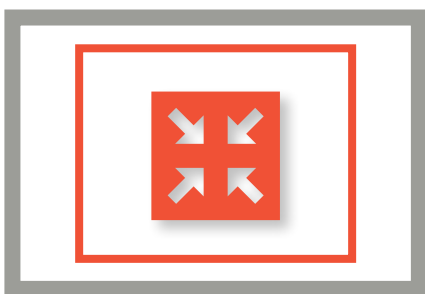
NEW AND RENEWED GLOBAL ACCOUNTANCY PARTNERSHIPS

Agreements were signed in the past year with ACT (the Association of Corporate Treasurers), CGA-Canada, CIOT (the Chartered Institute of Taxation) and MICPA (the Malaysian Institute of Certified Public Accountants). ACCA now has 73 global accountancy partnerships.



BEGINNING OUR LONG-TERM MOVE TOWARDS THE E-ASSESSMENT OF ALL OUR EXAMS

2011-12 saw the early stages of ACCA's move towards delivering exams online, meeting employers' calls for greater flexibility and relevance to the current and future work environment.



CENTRALISING CONTACT FOR NINE KEY STUDENT AND MEMBER MARKETS, GIVING A GLOBALLY CONSISTENT SERVICE, BENCHMARKED TO INDUSTRY STANDARDS

Following our successful pilot in Hong Kong SAR, we have centralised transactional telephony and all email contact for direct customers in Australia, the Czech Republic, Ireland, Malaysia, New Zealand, Poland, Romania and Singapore, with all calls charged at local rates.

BRAND RECOGNITION

94% 

In our annual employer survey, ACCA was consistently rated as the leading global professional accountancy body. 94% of employers surveyed say ACCA is a world class organisation, with 92% saying ACCA is a respected brand.

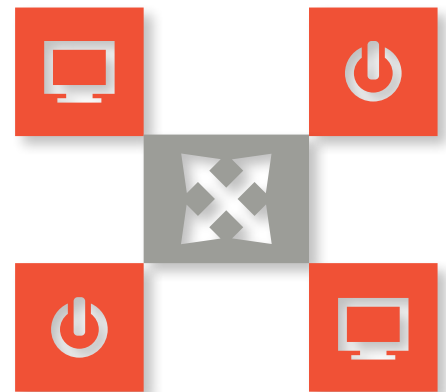


SOCIAL MEDIA

126,179 fans of ACCA's official Facebook page. **10,552** members on ACCA's official members LinkedIn group. **17,075** followers of ACCA's main Twitter feed.

STRENGTHENING OUR INFRASTRUCTURE BY TRANSFERRING OUR IT SERVICES TO MANAGED, EXTERNAL CENTRES

Since going live in November 2011, this change has significantly improved our systems reliability, giving ACCA a platform on which to build its online offering in 2012-13 and beyond.



21,000

LAUNCHING OUR NEW JOBS WEBSITE ACCA CAREERS

IN RESPONSE TO CUSTOMER DEMAND, ACCA CAREERS WAS LAUNCHED IN SEPTEMBER 2011 AND HAS ATTRACTED OVER 21,000 REGISTERED USERS AND OVER 10,000 JOB LISTINGS IN ITS FIRST SIX MONTHS OF OPERATION.

We have redesigned significant sections of our website, including all section homepages, our pages for prospective students and employers and our research and insights content. All redesigned pages are hosted on a new platform that has been extensively stress-tested so it can handle significant traffic.

accaglobal.com
REDESIGNED

CHIEF EXECUTIVE'S OVERVIEW >



Helen Brand

Helen Brand OBE
Chief executive



IT IS ACCA'S EMPLOYEES WHO DELIVER ALL THESE CHANGES AND I AM PROUD OF HOW HARD OUR PEOPLE HAVE WORKED TO MAKE ACCA A BETTER, MORE RESPONSIVE AND CUSTOMER-FOCUSED ORGANISATION OVER THE PAST YEAR.



WHEN I BECAME CHIEF EXECUTIVE IN 2008, I UNDERTOOK TO COUNCIL, MEMBERS AND STUDENTS THAT I WOULD WORK TO TRANSFORM OUR ORGANISATION. AT THE HEART OF THIS WAS THE NEED TO PLACE THE VOICE OF THE CUSTOMER AT THE CENTRE OF HOW WE DEVELOP PRODUCTS AND SERVICES AND CHANGE OUR OPERATIONS TO REFLECT THIS. REAL, LASTING CHANGE TAKES TIME. AFTER SIGNIFICANT WORK, IN 2011-12, WE HAVE MADE MAJOR PROGRESS IN SUBSTANTIALLY SHIFTING HOW WE OPERATE AND, IN PARTICULAR, HOW WE SERVICE OUR PRIMARY CUSTOMERS.

Improving the customer experience

We have made customer service improvements one of our priorities as this was an area where we needed to make the greatest strides in order to achieve our long-term vision and create a sustainable operating model. We moved our global contact centre, *ACCA Connect*, to a 24/7 365 operation in September 2011. By doing this, we became the first professional accountancy body to offer a round-the-clock service. Following a successful pilot in Hong Kong SAR last year, we have centralised transactional telephony contact for eight further markets – Australia, the Czech Republic, Ireland, Malaysia, New Zealand, Poland, Romania and Singapore – meaning we are giving a globally consistent service, benchmarked to industry standards for more of our direct customers, and all at local call rates.

Our customers increasingly want to transact with us online and we have developed our digital offering significantly this year to meet that need. Following on from the launch of our fully online registration service in January 2011, we have integrated online exam entry with registration and introduced flexible deadlines. This means that students can enter for exams at any time throughout the year. We have aimed to make these online services as user-friendly as possible and have been conducting point of sale surveys throughout the year to make sure they are. We are pleased that 78% of students have told us they would recommend the online registration service and 85% told us they would recommend the online exam entry service. As a result of improved processes, we were able to provide exam results a full week earlier than previously to students for the December 2011 examination sitting.

We have also continued to invest in improving our website, in particular by redesigning significant sections of *accaglobal.com*, all of which are hosted on a new, more stable platform, with 80% of content from the old website moved across into the new environment. We will be continuing to upgrade our online platforms in 2012-13 as we recognise we still have work to do here. To provide the right foundation for this continued move online, we have invested substantially in our IT infrastructure and, in November 2011, we successfully transferred our IT services to new, managed external centres to give us greater stability and flexibility.

As a direct result of these improvements, the proportion of our customers who say that ACCA is easy to do business with online has risen significantly year-on-year – up 13 percentage points (from 57% to 70%) for members and 14 percentage points (from 61% to 75%) for students.

Our commitment to continual improvement is, I believe, reflected in overall satisfaction scores remaining high for members and students and the fact that our members also rated ACCA as the professional accountancy body that provides the best value for money.

85%

OF STUDENTS HAVE TOLD US THEY WOULD RECOMMEND THE ONLINE EXAM ENTRY SERVICE.

Changing to drive growth

This work is part of a larger plan to ensure we are maximising the skills and capabilities of our employees. By progressively moving all transactional contact to our corporate centre and making it easier for our customers to move online, our talented staff in market-facing roles are able to focus squarely on activities that help build ACCA's reputation and influence in their markets and regions – not least by engaging with employers who provide our members and students with the career opportunities they need. This has been – and will be – essential to ACCA's growth.

And we have continued to grow. In 2011-12, the continued increase in member and student numbers demonstrates the high attractiveness of our qualification and the ACCA brand around the world. Member retention of 98.5% on such a large and diverse base, and in continued challenging economic conditions, is also a very pleasing achievement.

The future of our qualification

In order to maintain this position, ACCA needs to continue to innovate to provide best-in-class delivery and offerings – including a qualification and modes of examining that meet the needs of the evolving global business environment. In June 2011, we announced an exciting move over the coming years towards a new generation of online examinations that will enhance the quality and rigour of our assessment, maintaining the premium brand of the ACCA Qualification. Through this, we aim to continue to deliver our promise of bringing opportunity to people of talent and application who seek a rewarding career in accounting and business – equipped with the skills required by employers in a digital age. We have begun consulting with employers and learning providers on how we can best do this and will be working closely with them and all our stakeholders to create the optimum solution.

It is ACCA's employees who deliver all these changes and I am proud of how hard our people have worked to make ACCA a better, more responsive and customer-focused organisation over the past year. A key benefit of engaging more with our stakeholders has been a much deeper understanding of their needs and expectations, right across ACCA – and an even stronger and closer sense of accountability to those we serve around the world.



IN 2011-12, THE CONTINUED INCREASE IN MEMBER AND STUDENT NUMBERS DEMONSTRATES THE HIGH ATTRACTIVENESS OF OUR QUALIFICATION AND THE ACCA BRAND AROUND THE WORLD.

WHO WE ARE >

ACCA (THE ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS) IS A PROFESSIONAL BODY THAT EXAMINES AND REGULATES ACCOUNTANTS ON A GLOBAL BASIS. WE SET HIGH PROFESSIONAL AND ETHICAL STANDARDS WHICH WE EXPECT OUR MEMBERS TO FOLLOW IN THEIR WORK, REGULATE THEIR COMPLIANCE WITH THOSE STANDARDS AND WITH THE LAW, AND HAVE ADOPTED LEADING PRACTICE IN OUR APPROACHES TO DISCIPLINARY PROCEDURES.

Being global and inclusive in outlook as well as reach is at the core of our proposition to our members and future members.

Why we were created

We were founded in the UK in 1904 at a time when access to the profession was limited to those whose families could afford to pay for them to be apprenticed. ACCA set out to be different from other accountancy bodies of the time by offering the opportunity to join the profession to anyone with the talent and ambition to do so, regardless of their social background.

Within three years of launch, we had members in five countries. By 1910, exams were available outside the UK. In 1913, the first ACCA branch outside the UK was established in South Africa. Branches continued to be opened throughout the first half of the 20th century as membership became established worldwide. ACCA was granted its Royal Charter in 1974, recognising our eminence, stability and contribution to the profession, business and society.

Today, we support over 586,000 members and students in 170 countries, helping them to develop successful careers in accounting and business, with the skills needed by employers, through a network of 83 offices and centres.

By remaining true to our founding vision and core values, we have provided access to the profession for thousands of aspiring accountants around the world. Over a century on, we remain committed to providing global opportunity, free from artificial barriers. ACCA also works to strengthen the global profession based on consistent standards, a goal which we believe best supports international business and prepares aspiring finance professionals for careers in an increasingly globalised business environment. We champion the needs of small and medium sized businesses (SMEs) and emerging economies, and promote the value of sustainable business.

To achieve this, we work with global bodies such as the International Federation of Accountants (IFAC) and with 73 global accountancy partners. Above all, we seek to bring long-term value to economies in which we develop and support professional accountants. In the UK, we are regulated by the Financial Reporting Council in respect of the entirety of our activities and we are also subject to government supervision in respect of the delegated statutory powers we carry out in audit, insolvency and investment business.

ACCA works in the public interest, ensuring that our members are appropriately regulated for the work they carry out and, promoting principles-based approaches to regulation. We seek actively to enhance the public value of accountancy in society through research and we take a progressive stance on global issues to ensure that accountancy as a profession continues to add value to business and society.

586,000

MEMBERS AND STUDENTS IN
170 COUNTRIES WORLDWIDE.

OUR MISSION AND VALUES >

ACCA's mission is to be the global leader in the profession by:

- > providing opportunity and access to people of ability around the world
- > supporting our members throughout their careers
- > achieving and promoting the highest ethical, governance and professional standards

and

- > advancing the public interest.

Our core values are:

Opportunity: we provide opportunity, free from artificial barriers, to people around the world – whether students, members or employees – and we support them in their careers.

Diversity: we respect and value difference, embracing diversity in our people and in our output.

Innovation: we create new and unexpected possibilities, providing innovative solutions for the future.

Accountability: we accept individual and corporate responsibility for our actions, working together to deliver a quality service and to promote the best interests of our stakeholders.

Integrity: we act ethically and work in the public interest, treating people fairly and honestly, and we encourage the same from others.

The concept of public value

As a professional accountancy body, our ultimate accountability is to the public at large. We exist to give them confidence in the skills, abilities and ethics of ACCA accountants and to promote the science of accountancy. For our members, delivering public value therefore means not only satisfying the needs of an individual client or employer through the quality of their work and technical expertise but also considering the wider impact of their activities on society as a whole, in line with ACCA's ethical code. From our qualifications, standards and ethics to our licensing, regulation, monitoring and disciplinary processes, we ensure that ACCA members demonstrate the highest standards of practice and ethical conduct to enable them to act in the public interest, in line with the requirements of our Royal Charter.

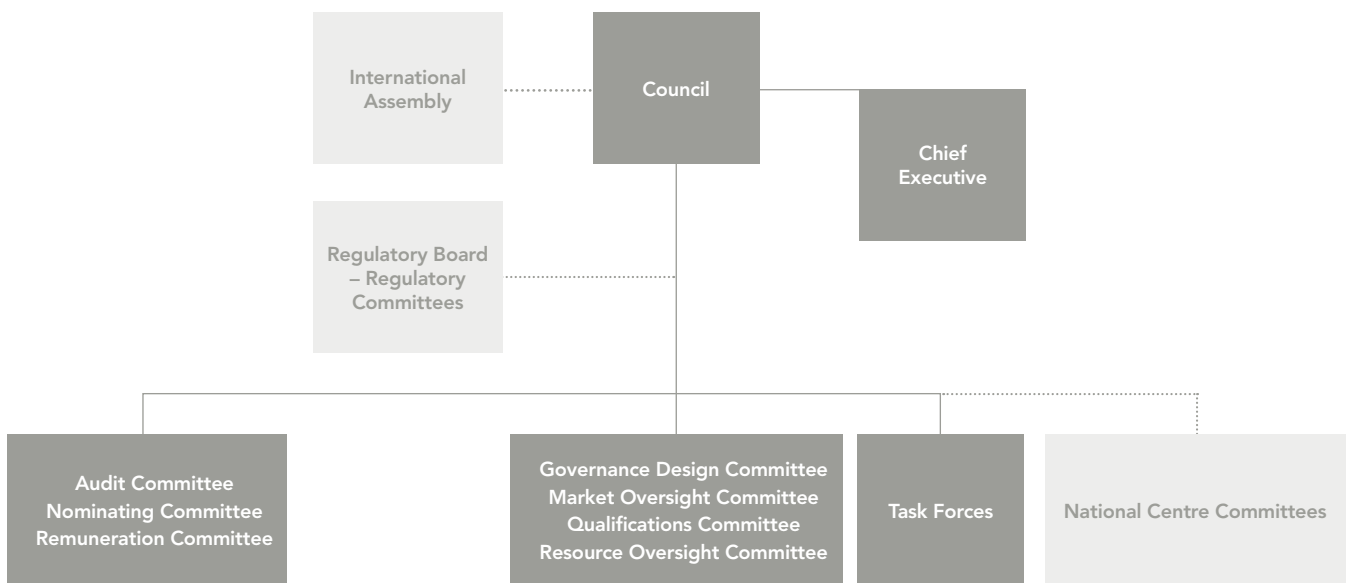
Public value underpins everything that we do, including the pursuit of our strategic objectives.



WE ACT ETHICALLY AND WORK IN THE PUBLIC INTEREST, TREATING PEOPLE FAIRLY AND HONESTLY, AND WE ENCOURAGE THE SAME FROM OTHERS.

HOW WE ARE GOVERNED >

> Council and Committee Organisation Chart



Council: an elected Council of our members acts as our primary governance body. Having a pool of members who are willing to give back to their professional body, with the varied skills, backgrounds and experience needed to help steer a globally active professional body, is therefore critical to our future.

As ACCA's international footprint has developed, the composition of Council has become increasingly more diverse. It currently comprises members from 20 countries (Australia, Canada, China, Cyprus, England, Hong Kong SAR,

Ireland, Kenya, Malaysia, Mauritius, Nigeria, Northern Ireland, Poland, Romania, Saudi Arabia, Singapore, Scotland, South Africa, the USA and Wales) and 13 (36%) of our 36 Council members are female.

Chief executive: ACCA's chief executive is responsible for effectively and efficiently managing our organisation on Council's behalf and putting the strategy and policies Council agrees into practice. The chief executive leads our Executive Team (see organisation chart on page 17). Forty-five percent of our senior management team is female.

Regulatory Board: oversight of ACCA's regulatory functions is placed at arm's length from its own operations in the form of an autonomous, lay majority, Regulatory Board. The Board provide detached oversight and robust challenge, both of which are essential in enabling the operational side of ACCA's regulatory apparatus to stay efficient and public value-focused.



THE CORE MISSION OF COUNCIL, WHICH UNDERPINS ALL OF ACCA'S ACTIVITIES, IS TO ENSURE THAT THE ORGANISATION DELIVERS THE OBJECTIVES STATED IN ITS ROYAL CHARTER.

International Assembly

While the membership of Council is increasingly geographically and culturally diverse, we recognise that – as a global body – ACCA benefits from structured input from all countries and regions where it has members. International Assembly supplies this and comprises 52 members from 41 countries around the world who provide input into strategy and development through their advisory role to Council. International Assembly meets annually at a two-day session which includes direct interaction with Council.

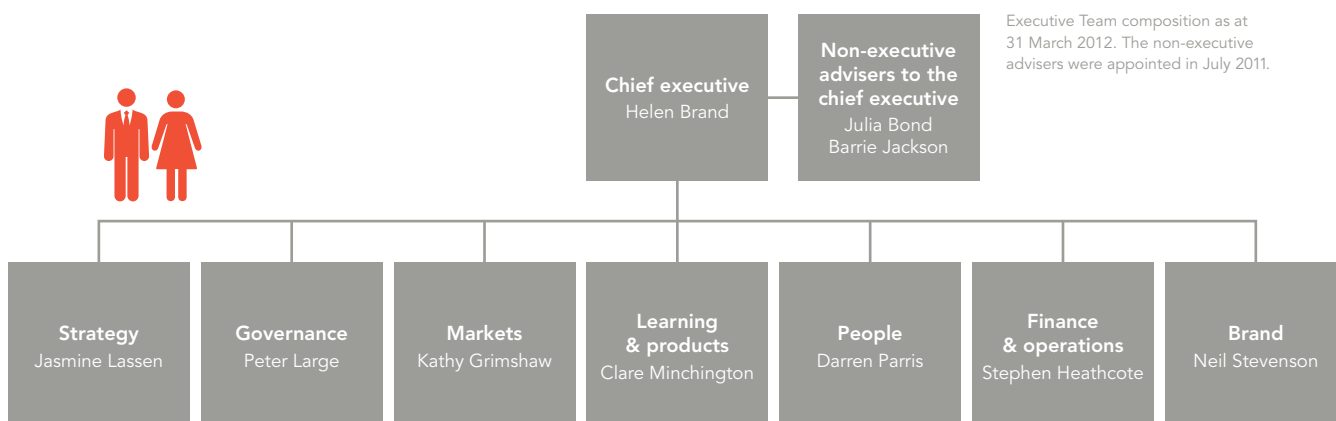
Council's responsibilities

The core mission of Council, which underpins all of ACCA's activities, is to ensure that the organisation delivers the objectives stated in its Royal Charter. To achieve this, Council has a wide-ranging remit, geared to providing strategic direction for ACCA. Council members examine issues of broader and longer-term importance to ACCA, and help established ACCA's position on global developments in the profession as they arise.

Council works closely with ACCA's Executive Team to devise strategy, which is then approved by Council. Delivery of the strategy is the responsibility of the Executive Team, with the governance of the process and performance tracking provided by Council. The basis on which Council operates is set out in full in its standing orders.

Our Executive Team and its responsibilities

> Organisation structure



The core purpose of the Executive Team is to deliver the strategic outcomes of the organisation, develop a customer-focused organisation and to inspire confidence and trust with all its stakeholder groups, both internally and externally.

Non-executive advisers

In July 2011, the chief executive appointed two non-executive advisers, Julia Bond and Barrie Jackson, both of whom have extensive experience in the international commercial environment. In their roles, they directly advise the chief executive, attending Executive Team meetings and, with the benefit of their experience, provide both external perspectives and additional impetus to the plans to deliver ACCA's strategy.

Remuneration

ACCA's Remuneration Committee is responsible for determining and agreeing a policy framework for the remuneration of ACCA's chief executive and executive directors in order to encourage performance of a consistently high standard and to reward individuals for their contribution to the success of ACCA. The committee consists of six members of Council and one independent member appointed by its Nominating Committee. Full details of the remuneration policy can be found in ACCA's Corporate Governance statement.



IN SEPTEMBER 2011, ACCA INTRODUCED KEY CHANGES TO ITS GOVERNANCE STRUCTURES, DESIGNED TO MAXIMISE THE CONTRIBUTION OF COUNCIL MEMBERS AND PROVIDE BETTER ALIGNMENT OF THESE STRUCTURES TO ACCA'S CURRENT AND FUTURE STRATEGY.

Governance changes in 2011-12

In September 2011, ACCA introduced key changes to its governance structures, designed to maximise the contribution of Council members and provide better alignment of these structures to ACCA's current and future strategy. These changes acknowledged that the existing Council committee structure had developed incrementally over a number of years and would benefit from root and branch review.

This has resulted in:

- > the creation of a long-range governance plan, to enable governance structures to evolve organically in tandem with ACCA's strategy. This is overseen by a newly created Governance Design Committee

- > a new statement on the role of Council and its members
- > a new committee structure, designed from first principles, to better align with ACCA's strategy. This has seen the number of committees of Council reduced from ten to the eight shown on page 15.

and

- > the decoupling of technical committees – which provide advice and guidance on issues of technical policy – from direct Council oversight and replacing these with our new Global Forums.

WHAT IS HAPPENING IN OUR ENVIRONMENT ➤

AS A GLOBAL BODY FOR PROFESSIONAL ACCOUNTANTS, ACCA HAS OVER 586,000 DIRECT CUSTOMERS (MEMBERS AND STUDENTS) LIVING AND WORKING IN 170 COUNTRIES ACROSS THE WORLD.

In operating on this global basis, we provide an alternative qualification to those offered by national and regional bodies. In many countries, though, the choices available to aspiring accountants are increasing still further as other bodies are seeking to market their qualifications around the world. This is resulting in a more competitive environment, with implications for how ACCA designs and markets its own qualifications and other services.

ACCA aims to ensure that the ACCA Qualification is recognised and in high demand by employers and individuals seeking to gain a professional accountancy qualification. Nevertheless, formal (statutory) recognition is important to members who wish to undertake work that is regulated (such as audit), and it is

therefore important that ACCA secures this type of recognition where this is necessary to protect the interests of our members. Therefore, where ACCA has statutory recognition in its own right, such as in the UK and Ireland, it is a priority to ensure this is retained. In particular, with 43% of members based in the UK, continuing to meet the requirements of the UK Professional Oversight Board is of regulatory and reputational importance for ACCA. ACCA is also increasingly named on government educational frameworks around the world, which validates the standing of the ACCA Qualification.

In recent years, and in keeping with societal developments, the global accountancy profession has generally become more inclusive, particularly in Europe. Many bodies that previously

insisted on graduate entry have relaxed their entry requirements with the result that the open entry policy ACCA first pioneered in the profession tends to be less of an exception. For this reason, it is important that ACCA continues to lead on the principles of flexibility and open access by which it has come to be defined.

The long-term trend of globalisation has seen International Financial Reporting Standards (IFRS) being increasingly adopted around the world. To date, 122 jurisdictions have adopted IFRS. ACCA has long championed IFRS and was the first professional body to base its examinations on international financial reporting and auditing standards, back in 1996. Being at the forefront of this movement provides ACCA with authority and credibility, especially when working in markets, and with national bodies that are in the process of moving towards IFRS. The organisation is also the first professional accountancy body based in the UK to prepare its own accounts in accordance with IFRS.

122

JURISDICTIONS HAVE
ADOPTED IFRS TO DATE.



THE GLOBAL FINANCIAL CRISIS OF 2008 UNDERSTANDABLY DENTED PUBLIC TRUST BOTH IN FINANCIAL INSTITUTIONS AND THOSE WHO WERE RESPONSIBLE FOR THEIR STABILITY.

A further significant trend is the exponential growth of online access and connectivity. By the beginning of 2011, the number of internet users exceeded two billion worldwide and the number of mobile users surpassed five billion¹. Prioritising investment in online services and products is therefore an opportunity ACCA is seizing. This encompasses both moving our transactional services online and greater investment in social media. The progressive move towards the e-delivery of our qualifications will provide not only more flexibility for students and those who employ them, but also enable us to move quickly in satisfying changing demand for professional qualifications around the world and creating opportunities for aspiring accountants in more territories.

ACCA is therefore operating in an increasingly competitive market but one where the demands of a global economy are very much aligned to our core proposition – the provision of a high quality and transportable qualification which is recognised as such across the world.

The global financial crisis of 2008 understandably dented public trust both in financial institutions and those who were responsible for their stability. While the banking profession has been in the spotlight over its failings, the accountancy profession has not escaped criticism either. The need to demonstrate that the accountancy profession promotes ethical behaviour and conduct and ensures that professional accountants place the public interest above all is pertinent in today's world. Throughout 2011-12, ACCA has championed the role that the profession plays in delivering public value, not least through its position on the role of audit in society and its continued promotion of environmental accountability.

¹ UN Telecommunications Agency, January 2011

OUR STRATEGIC PERFORMANCE

In 2011-12, we have made the following progress towards delivering our strategy to 2015:

Our 2015 strategic objective	How we measure this	The target we set ourselves for 2011-12	What was delivered in 2011-12	The target we have set ourselves for 2012-13
To be the leading global professional accountancy body in reputation, influence and size	Number of members	154,700	Not achieved: we had 154,337 members at 31.03.12.	To have 162,015 members
To have sustainable growth	Gross operating surplus	£15.83m	Achieved: £20.147m	£11.92m
To have accountancy qualifications that are required by employers	% of members retained	98.3%	Achieved: 98.5%	98.5%
To lead and shape the agenda of the profession	% of employers who consider that ACCA's public positions on the agenda of the profession promote public value	47%	Achieved: 53.7%	57.7%
Global recognition of the ACCA brand	Market share	ACCA in the top three bodies by size in 60 markets	Achieved: ACCA in the top three bodies in 61 markets	To increase our global market share amongst key internationally active professional accountancy bodies to at least 37.9%
To recruit and retain our membership base	Number of ACCA Qualification students	363,350	Achieved: we had 368,145 ACCA Qualification students at 31.03.12.	To have 380,000 ACCA Qualification students
Customer-focused delivery of products and services	% of our Service Delivery Service Level Agreements we have met	70% of SLAs met	Achieved: 71% of SLAs met	80% of SLAs met
Development of relevant products, services and brand	Student and member satisfaction	75.5% to 78.0% of students and members satisfied with ACCA	Achieved: 77.2%	79% satisfaction
People with the knowledge and skills required to deliver our strategy	Best Companies employee engagement index	640 out of 1,000 on the index	Not achieved: 635.9	660 out of 1,000 (a one star organisation on the Best Companies employee survey index)
Having a technology-enabled, integrated and efficient global infrastructure	% of our IT service level agreements we have met	74% of SLAs met	Achieved: 84% of SLAs met	80% of SLAs met
Being an aligned organisation	% of employees who understand their contribution to ACCA's strategy	84%	Not achieved: 81%	84%
Knowledge of markets and stakeholder needs	% of employees who believe they have the stakeholder information they need	69%	Not achieved: 64%	67%

Commentary on performance

Number of members: we narrowly missed the target we set for ourselves, largely because fewer candidates than we expected completed our final examinations in June 2011. Nevertheless, we were pleased to have admitted 9,412 members (compared with 9,203 in the previous year). We had particularly good growth in new member numbers in Nigeria (up by 57%), Pakistan (up by 57%) and Uganda (up by 61%). Because of continuing demand for the ACCA Qualification around the world, we are aiming to grow our membership base to 162,015 by 31 March 2013.

Gross operating surplus: we have delivered the surplus agreed with Council. The surplus is essential to ensure ACCA can invest in cost-effective service delivery to meet the expectations of customers, and in the overall reputation and influence of ACCA in employment markets around the world to strengthen the value of the ACCA designation for members. Key initiatives for 2012-13 to grow ACCA in a sustainable way include continuing to promote cost awareness and seeking better value for money across the organisation. This includes rolling out improved contract management for our main suppliers.

% of members retained: we are pleased to have exceeded the retention target we set ourselves and delighted that, with continuing economic challenges in many markets, such a high proportion of our members see the value of their designation.

9,412

WE ADMITTED 9,412
NEW MEMBERS IN 2011-12.

% employers who consider that ACCA's public positions on the agenda of the profession promote public value: we have outperformed our target in relation to employers believing that our global policy output brings public value. This reflects the investment we have made in new Global Forums, an enhanced research programme on key areas of importance to CFOs and increasing influence with policymakers, regulators and standard setters. In the coming year, we will continue to benefit from the input of our Global Forums in driving an agenda of relevance to employers that also meet the wider needs of society at large. For these reasons, we have set a higher target (+4 percentage points) for 2012-13.

Market share: we achieved our target but, because of differing levels of professional body information being available in different markets, we are changing how we measure this for 2012-13. For the coming performance year, we will measure this through our share of the member and students market amongst other established professional accountancy bodies that are internationally active and are aiming for a 37.9% market share. From 2012-13, we are planning to fund targeted investment in both new and existing markets and sectors and, through this multi-year investment, we intend to deliver further sustainable growth in reputation, influence and size.

Number of ACCA Qualification students: we exceeded the target we set ourselves by 4,795 students and growth was strong in a wide range of markets including well-established ones such as the UK, Malaysia and the Caribbean, but also in newer markets such as Bangladesh.

% of our Service Delivery Service Level Agreements met: we have SLAs established for a number of our processes: call answering times, email response times, complaints resolved, time taken to process registrations, CPD evidence reviews and computer-based exam centre licences. To meet this target was particularly pleasing as we have seen sustained increases in contact since August 2011. Meeting our SLAs here has driven improved customer satisfaction, with 75% of students (61% in 2010-11) and 70% of members (57% in 2010-11) saying that ACCA is easy to do business with online. For 2012-13, we are including more measures around quality in addition to speed of service, as well as increasing the target we want to meet in order to drive further improvement.

75%

OF STUDENTS SAY THAT ACCA IS
EASY TO DO BUSINESS WITH ONLINE.

79%

MEMBER SATISFACTION WAS 79%
(BASED ON 4,263 RESPONDENTS
GLOBALLY).

Student and member satisfaction: we have maintained a high level of satisfaction with scores remaining consistent with results in 2010-11. Overall member satisfaction was 79% (based on 4,263 respondents globally) and student satisfaction was 76% (based on 14,588 respondents globally). The main change was that value for money was shown to be the main driver of satisfaction (last year, it was career opportunities). In this respect, we were pleased that ACCA was ranked by our members as the leading professional accountancy body in terms of value for money.

76%

STUDENT SATISFACTION WAS 76%
(BASED ON 14,588 RESPONDENTS
GLOBALLY).

Best Companies employee engagement index: this is a new form of measurement for 2011-12, selected so that we can benchmark ourselves against organisations which lead in people development. Best Companies awards four levels of accreditation: One to Watch, 1 Star Company, 2 Star Company and 3 Star Company. We missed our target, though we still met the benchmark for the Best Companies One to Watch category. We believe that through targeted efforts we can aspire to be a 1 Star organisation in 2012-13. Our employees' views on their manager and leadership were the two most highly correlated factors within engagement at ACCA. In 2012-13, we therefore plan to target interventions in these areas as we believe they will have the greatest positive impact. This includes continuing our Inspirational Manager programmes, methodology research to discover the inspiring and engaging behaviours that high scoring managers display and providing leadership-specific coaching and development.



**WE WERE PLEASED THAT ACCA WAS
RANKED BY OUR MEMBERS AS THE
LEADING PROFESSIONAL ACCOUNTANCY
BODY IN TERMS OF VALUE FOR MONEY.**

% of our IT Service Level Agreements met: in common with our service delivery SLAs, our IT SLAs monitor the various elements of IT service provision that are required to enable ACCA to operate efficiently. The investment undertaken in our IT infrastructure in 2011-12 has delivered a more robust and reliable service which has enabled us to exceed the targets we set.

% of our employees who understand their contribution to ACCA's strategy: while 81% is a good result, especially as we continue to go through significant change across the organisation, we fell short of the target we set. We believe that our new performance management process, which enables employees better to link their personal contributions to our strategy, will drive better understanding, as will our plans to align our internal communications more closely to our strategy. We have therefore kept our target for 2012-13 at the same high level.

% of employees who believe they have the stakeholder information they need: we saw small declines in scores relating to information on members and ACCA's competitors which, because this information is used by many employee groups across ACCA, drove down our overall score in 2011-12. In 2012-13, we plan to further develop our member and market insight to address this.



**THE INVESTMENT UNDERTAKEN IN
OUR IT INFRASTRUCTURE IN 2011-12
HAS DELIVERED A MORE ROBUST AND
RELIABLE SERVICE WHICH HAS ENABLED
US TO EXCEED THE TARGETS WE SET.**

WHO WE ARE ACCOUNTABLE TO AND WHAT IS IMPORTANT TO THEM ►

SINCE 2009, WE HAVE BEEN TRANSFORMING OUR ORGANISATION SO THAT IT MEETS CUSTOMER NEEDS AND REQUIREMENTS. IN DOING THIS, WE ARE AIMING TO PLACE THE VOICE OF THE CUSTOMER AT THE CENTRE OF HOW WE DEVELOP OUR PRODUCTS AND SERVICES. WE HAVE MADE GREAT PROGRESS HERE – THOUGH WE RECOGNISE THAT THERE IS EVEN MORE WE NEED TO DO BETWEEN NOW AND 2015.

Our stakeholders are...

Stakeholder group	Why we engage with them	How we engage
Members	Members are core to the existence of ACCA. Our purpose is to help our members maintain and develop their employability by supporting them through their professional finance careers. As a professional body, we aim to protect and enhance the quality and value of the ACCA designation held by our members.	<p>We support our members throughout their careers, providing services through a network of 83 offices and centres. Our global infrastructure means that reputation and influence is supported, delivered and developed at a local level, directly benefiting members wherever they are based, or plan to move to, in pursuit of new career opportunities. We engage directly with our members through regular online and printed magazines and other communications. We support networks and committees around the world to allow our members to contribute to ACCA's development and develop local agendas, especially around networking (increasingly online).</p> <p>We engage formally through Council and the International Assembly and via a range of surveys to obtain feedback on satisfaction and professional issues – for example, our quarterly global economic conditions survey assesses the ongoing impact of the economy on our members.</p> <p>ACCA provides a range of services to members to support their career development (see CPD section on page 48), and in 2011-12 we launched our new ACCA Careers website.</p>
Students	<p>ACCA students are future members and therefore crucial to ACCA's continuing growth in reputation, influence and size.</p> <p>Students are seeking a successful career, with the ACCA Qualification offering them an opportunity to pursue successful careers in accounting and business in any sector.</p>	We provide students with support through the various stages as they progress through the ACCA Qualification. There are multiple channels for engagement with students as they reach each milestone, including a range of publications and opportunities for mentoring, networking and revision programmes. ACCA also engages with learning providers and employers to enhance training opportunities for students.

Stakeholder group	Why we engage with them	How we engage
Employers	Employers are critical as users of the skills of ACCA accountants. Through employing our members, they are seeking to grow their businesses. We take the career progression of our members and students seriously and want to ensure we support their employability. Employers play a key and visible role, as both employers of current and prospective students and members. In turn, many employers are ACCA members themselves.	ACCA engages directly with employers predominantly through its heads of market and business relationship managers, seeking to build strategic relationships. This work is supported by a range of publications, ACCA's global programme of research and insights and wider technical and policy work, and through events on subjects of interest to employers in the area of learning and development and wider areas in accounting and business.
Learning Providers	Our network of learning providers facilitates the provision of tuition and examinations. This is critical to ensure high-quality learning programmes and support are available to students around the world.	ACCA's Approved Learning Partner – Student Tuition programme gives formal recognition to leading tuition providers of the quality tuition and support that they offer ACCA students. It is the platform from which we can develop a mutually beneficial relationship, increasing the global availability of effective and innovative ACCA course delivery and first-class student support. Engagement with learning providers occurs through teachers' conferences, virtual events, 'train the trainer' sessions and through higher and further education institutions.
Employees	We need the right people to deliver our strategy. Our employees are the cornerstone of all we are trying to achieve, and it is important to us to have a motivated and engaged workforce. Employees seek rewarding careers and personal development opportunities with ACCA, and appropriate recognition and reward for their contribution.	We engage with our employees through a range of mechanisms, primarily through an extensive programme of planning and communications around delivery of strategy, linked to team priorities and individual performance plans. We use a range of channels including our intranet, Yammer – our corporate social networking site – internal online magazine (<i>ACCA Life</i>), charity and social events, and our annual employee engagement survey. The chief executive provides a monthly briefing to all employees and the Executive Team has an active programme of engagement, including an annual global leadership conference for over 100 of our employees. We monitor progress through our annual employee engagement survey. We also engage widely through a learning and development programme.
Partners	Our partnership arrangements cover many different fields – including joint qualifications, professional development, regulation and monitoring, and technical consultancy. We are committed to the highest global quality standards, while reflecting the needs and aspirations of our partners.	Through inclusive partnerships, ACCA focuses on delivering services which benefit the accountancy profession and which enhance the value of accountants in the workplace. See more at www2.accaglobal.com/about/partners . Globally, we advise and work under contract with a number of accountancy organisations.
Governments, donor agencies, standard setters and regulators	In the UK, ACCA is regulated by the Financial Reporting Council. This gives us statutory recognition and the right to qualify and regulate audit professionals. We work closely with governments and regulators around the world to ensure our overall quality assurance is widely understood and that we meet regulatory requirements. We engage with decision-makers around the world to ensure that ACCA is seen as an important contributor to the key debates affecting the profession. With standard setters, we promote the benefits of globally-consistent standards and a principles-based approach.	We participate in a number of accountancy and financial forums, to ensure that we continue to influence the development of related legislation and standards. We engage widely by submitting consultation responses to regulators and standard setters, and publishing policy papers on key issues in the profession. We also provide evidence to government inquiries. We publish a range of research papers to inform debate on current and emerging issues to encourage evidence-based public policy.
Suppliers	We work with a number of key suppliers to ensure we can offer our products and services globally, especially in IT.	We engage proactively with our suppliers through strategic reviews and involvement in project and implementation teams. We constantly seek to ensure we are obtaining value for money on behalf of our members.

18,851

OUR MAIN MEMBER AND STUDENT SATISFACTION SURVEY ATTRACTED A TOTAL OF 18,851 RESPONDENTS.

Other stakeholders

ACCA also works with many other stakeholders, notably potential students and the careers professionals who advise them, academics, the media and other representatives of civil society.

The voice of the customer

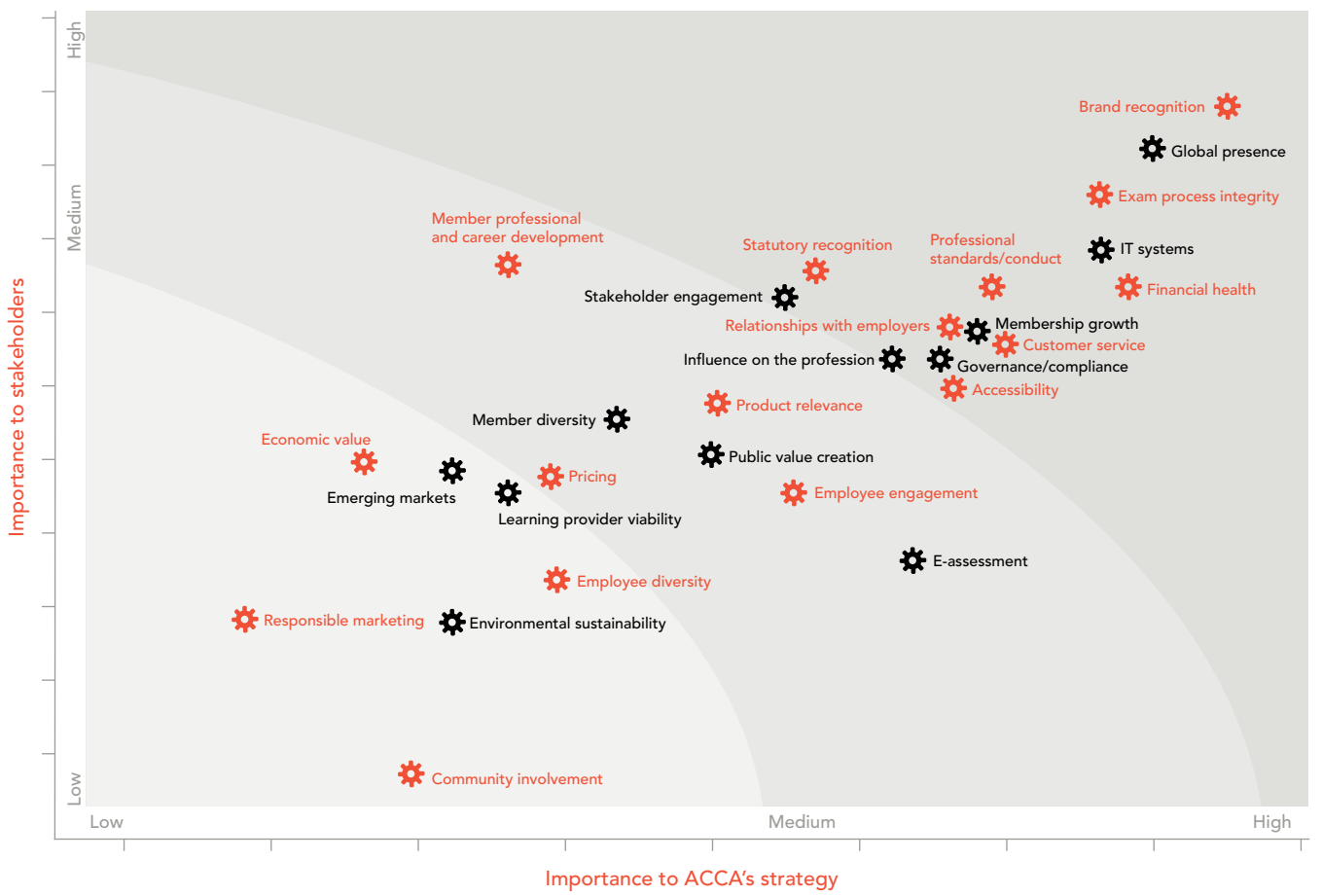
Throughout 2011-12, we surveyed all of our key customer groups through a range of satisfaction, product and service development-related and technical issues surveys. We conducted 57 separate surveys of our customers (across member, student, employer, learning provider and other groups), using the feedback to develop and refine products and services. We used this approach across ACCA, from point of sales surveys in relation to registration and exam entry, to working directly with students to design a new way to record their practical experience.

Our main member and student satisfaction survey attracted a total of 18,851 respondents.

What is material to our stakeholders in our reporting

For the first time, we have asked stakeholders what they would like to see in ACCA's external reporting. To identify the topics stakeholders might want to see reported, we started with a five-part materiality process, from which we identified nearly 700 potential reporting issues, which we clustered into 44 topic groups. We then asked focus groups of members, students and employees, and a cross-section of wider stakeholders, to rank these topics by importance to them. This group of 44 topics was looked at by a cross-section of senior ACCA staff and Council members who helped to cluster these down further to 28 discrete topics. These topics are ranked by importance to our stakeholders (y axis) and importance to our leadership (x axis) on our materiality matrix.

> Material issues



As this materiality work has been completed late in our 2011-12 reporting cycle, we do not have agreed measures for all these topics. We have reported against each of them from the information we currently collect and have aimed to reflect their significance in the balance of our reporting. However, we have undertaken our stakeholder engagement in quite a modest way this year and need to develop it further before we can rely on it fully to shape the direction and content of our reporting. We aim to develop this aspect of our reporting further in 2012-13, as part of our involvement in IIRC's integrated reporting pilot programme.

Topics	You can find information on this:
Brand recognition	Under <i>Our strategic performance</i> on pages 21-25
Global presence	Under <i>Our strategic performance</i> on pages 21-25, <i>How we have developed our capital in 2011-12</i> on pages 45-51 and <i>ACCA around the globe in 2011-12</i> on pages 52-57
Exam process integrity	Under <i>Our risks</i> on page 37
IT systems	Under <i>Our strategic performance</i> on pages 21-25 and <i>How we have developed our capital in 2011-12</i> on pages 45-51
Financial health	Under <i>Our financial performance</i> on pages 38-40
Membership growth	Under <i>Our strategic performance</i> on pages 21-25
Professional standards/conduct	Under <i>How we create value</i> on pages 42-44 and <i>How we have developed our capital in 2011-12</i> on pages 45-51
Governance/compliance	Under <i>How we are governed</i> on pages 15-18
Customer service	Under <i>Strategic priorities for 2011-12</i> on pages 34-36 and <i>How we have developed our capital in 2011-12</i> on pages 45-51
Accessibility	Under <i>Why we were created</i> on page 13 and <i>Our mission and values</i> on page 14
Statutory recognition	Under <i>What is happening in our environment</i> on page 19 and <i>Our risks</i> on page 37
Stakeholder engagement	Under <i>Who we are accountable to and what is important to them</i> on pages 26-31
Relationships with employers	Under <i>Strategic priorities for 2011-12</i> on page 34-36
Influence on the profession	Under <i>How we create value</i> on pages 42-44, <i>Our strategic performance</i> on pages 21-25 and <i>How we have developed our capital in 2011-12</i> on pages 45-51
Public value creation	Under <i>How we create value</i> on pages 42-44
Employee engagement	Under <i>Our strategic performance</i> on pages 21-25 and <i>How we have developed our capital in 2011-12</i> on pages 45-51 <i>Who we are accountable to and what is important to them</i> on pages 26-31
E-assessment	Under <i>Chief executive's overview</i> on page 12 and <i>How we have developed our capital in 2011-12</i> on pages 45-51
Product relevance	Under <i>Who we are accountable to and what is important to them</i> on pages 26-31

Topics	You can find information on this:
Employee diversity	Please see our CSR statement (online)
Pricing	Under <i>Our strategic performance</i> (customer satisfaction) on page 24
Member professional and career development	Under <i>How we have developed our capital in 2011-12</i> on pages 45-51
Member diversity	Under <i>Membership by region and gender</i> on page 41
Environmental sustainability	Please see our CSR statement (online)
Emerging markets	Under <i>ACCA around the globe in 2011-12</i> on pages 52-57
Economic value	Under <i>How we create value</i> on pages 42-44
Learning provider viability	Not currently reported on
Responsible marketing	Not currently reported on
Community involvement	Please see our CSR statement (online)



WE HAVE UNDERTAKEN OUR STAKEHOLDER ENGAGEMENT IN QUITE A MODEST WAY THIS YEAR AND NEED TO DEVELOP IT FURTHER BEFORE WE CAN RELY ON IT FULLY TO SHAPE THE DIRECTION AND CONTENT OF OUR REPORTING.

OUR STRATEGY TO 2015 >

ACCA'S CURRENT STRATEGY WAS APPROVED BY COUNCIL IN 2009. IT SETS OUT A VISION TO 2015, WHICH IS THAT ACCA WILL BE UNIVERSALLY RECOGNISED BY EMPLOYERS IN ALL SECTORS AS THE LEADING GLOBAL PROFESSIONAL ACCOUNTANCY BODY IN REPUTATION, INFLUENCE AND SIZE.

Strategy map

ACCA's strategy map shows the 12 strategic outcomes ACCA needs to deliver to achieve its strategy to 2015. These outcomes impact on and are affected by each other. The map therefore shows the relationships between the outcomes through four perspectives:

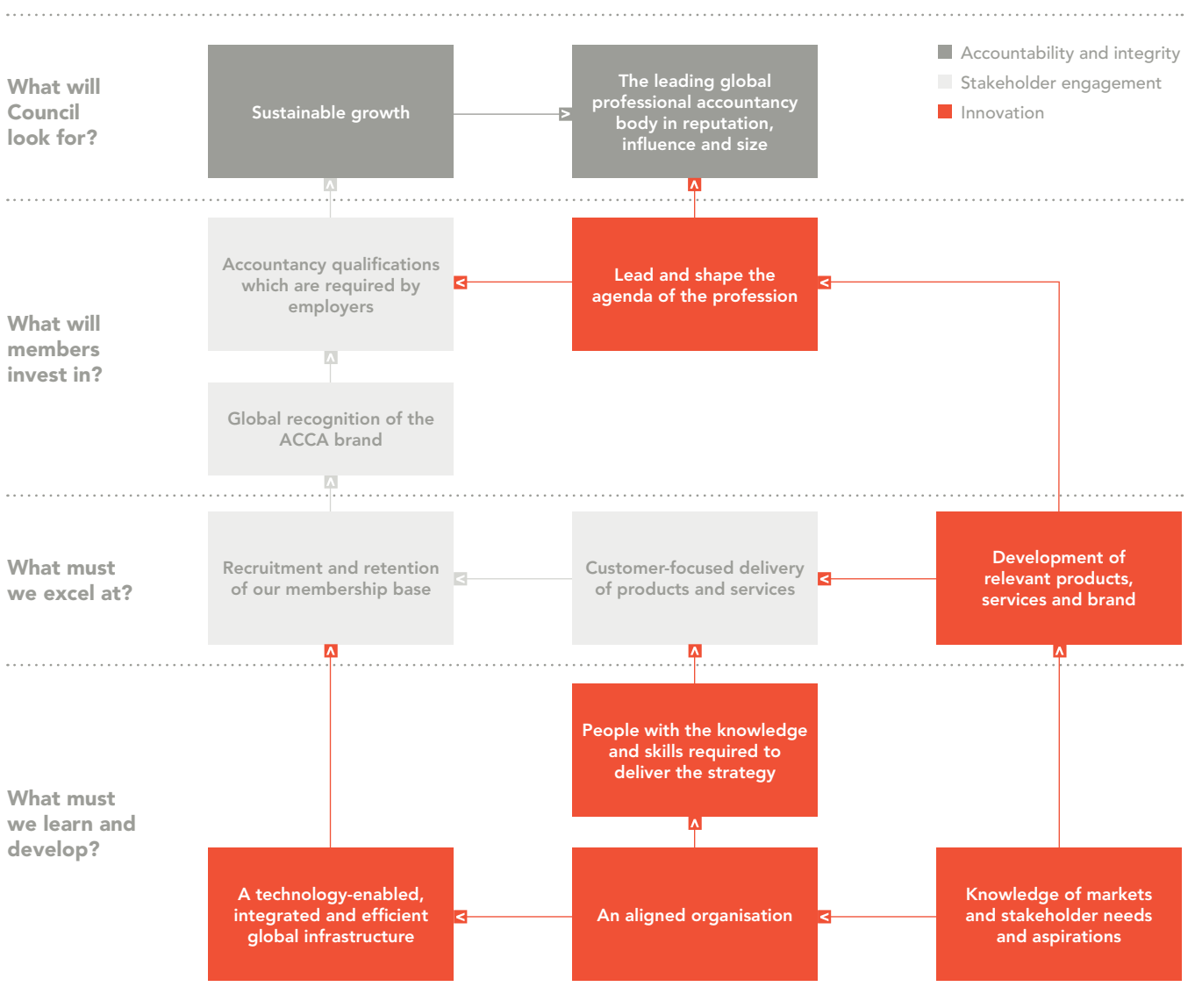
- > the **governance perspective**, asking what Council wants
- > the **members' perspective**, asking what will make members invest time and money in the ACCA Qualification
- > the **process perspective**, asking what ACCA must excel at in order to meet the expectations of its key stakeholders

- > the **innovation perspective**, asking what ACCA must learn and develop to continue creating value for its stakeholders.

To enrich the strategy map further, the outcomes are linked by strategic themes. In the 2015 strategy creation process, the need for ACCA to focus on innovation and stakeholder engagement was highlighted. These two themes, along with accountability and integrity, frame the strategy to 2015. In this way, the strategy explicitly delivers to ACCA's core values of accountability, integrity and innovation, with the remaining core values of opportunity and diversity being integral to the strategic outcome of the recruitment and retention of our membership base.



ACCA AIMS TO BE UNIVERSALLY RECOGNISED BY EMPLOYERS IN ALL SECTORS AS THE LEADING GLOBAL PROFESSIONAL ACCOUNTANCY BODY IN REPUTATION, INFLUENCE AND SIZE.





ACCA'S FUTURE SUCCESS RELIES ON US RECRUITING, SUPPORTING THROUGH TO QUALIFICATION AND RETAINING HIGH-CALIBRE INDIVIDUALS WHO WILL - THROUGH THE CONTRIBUTION THEY MAKE TO ORGANISATIONS AND ECONOMIES - BE AMBASSADORS FOR THE ACCA BRAND AND ADVANCE OUR GLOBAL REPUTATION AND INFLUENCE.

Strategic outcomes

ACCA tracks its performance against 12 strategic outcomes which contribute directly to the achievement of its overall vision to 2015. Each year, Council approves achievement measures and targets for each strategic outcome which it and the Executive Team monitor throughout the year.

There is a single measure of achievement for each of the 12 outcomes on ACCA's 2015 strategy map. These have been developed as a total basket of measures, across the four perspectives of the strategy map. They are designed to reflect the cause and effect relationship between a number of performance drivers such as employee development, operational efficiency, size and potential for future growth and reputation and influence. Through the use of a balanced scorecard approach, the 12 strategic measures should be viewed as a chain of interconnected measures that determine the overall effectiveness of ACCA's strategic performance and delivery.

Strategic priorities for 2011-12

For each performance year, ACCA also identifies three strategic priorities – the most important areas on which it needs to focus over the coming 12 months in order to meet its vision to 2015.

ACCA's future success relies on us recruiting, supporting through to qualification and retaining high-calibre individuals who will – through the contribution they make to organisations and economies – be ambassadors for the ACCA brand and advance our global reputation and influence. Our focus in 2011-12 was on identifying, prioritising and supporting the customer base that will deliver this sustainable growth. This encompassed deepening relationships with employers with whom talented individuals aspire to work, identifying and targeting recruitment activity on those potential students our research shows us have the greatest chance of attaining the ACCA Qualification and providing the best-in-class customer service expected of a world-leading professional body.

Our three strategic priorities were therefore:	
<p>Continuing to develop strategic relationships with employers</p> <p><i>Improving our resources, products and processes to meet employer needs and to allow market-facing employees to build relationships that are strategically important to ACCA.</i></p>	<p>We have implemented a fresh and comprehensive approach to employer engagement. All employer-facing staff around the world have received bespoke training on engaging with employers, supplemented by ongoing training and support, in order to deliver these plans. Our research and insights programme is firmly focused on the needs of employers and we are actively involving them in the creation of our output. We have also invited key employers to join our new Global Forums, so they can contribute to the direction of our research and insights work. A new employers' channel, which makes it easier for employers to quickly access information they need, has been created on ACCA's global website, which contains new information about our employer proposition and showcases the range of employers ACCA works with around the world.</p>
<p>Reviewing our approach to recruitment, conversion and retention</p> <p><i>Directing resources to deliver sustainable growth in member numbers, with a particular focus on understanding what drives student success.</i></p>	<p>We have focused on targeting recruitment to drive improved conversion to membership. In doing this, we have been working to understand what makes a successful student and providing more detailed background data on the student population to our markets. We have identified key factors that are likely to stand new recruits in good stead in terms of getting through the examinations and proceeding quickly to membership. But we need to do more work in understanding which of these factors have the greatest influence in individual markets. There is also an explicit link here with conversion work, once a student joins ACCA, which we'll be building on in the coming year. In 2011, we launched Foundations in Accountancy (FIA), our flexible suite of awards which provide an entry route to the ACCA Qualification. Student registrations under FIA have been fewer than expected in several main markets. A lack of readiness for the new product appears to be the root of this as tuition providers have only recently got ready to market and deliver FIA. To ensure we maximise the opportunities presented by FIA, there will be a renewed focus on promoting ACCA Foundations in Accountancy as a route to professional accountancy in 2012-13.</p>
<p>Ensuring ACCA embeds good practice in customer service and delivery across the organisation</p> <p><i>Making our organisation, systems, processes, products and people customer-centric.</i></p>	<p>We have transformed a number of our key processes and services, based around customer needs and expectations. For the December 2011 examinations, we introduced early and late registration dates for students entering online, with tiered pricing to encourage early sign up. This has not only helped us smooth out our traditional processing peaks and manage our operations more efficiently, it has also driven a significant increase in online transactions. Improved processing means that we have been able to cut the length of time between the end of an exam session and the release of exam results by over a week. We have also begun using point of sale surveys to capture what students think of our new services, immediately after they have used them and their feedback has been overwhelmingly positive. We moved to opening ACCA Connect 24/7 365, making ACCA the first professional accountancy body to provide this round-the-clock service. At the heart of all this activity is our drive to make it easier for members, students and other customers to do business with us and improve their customer experience.</p>

> How our three strategic priorities link to our strategic outcomes

**A CONTINUED FOCUS
ON EMPLOYERS**
links to...



- > ensuring global recognition of the ACCA brand
- > becoming the leading global professional accountancy body in reputation, influence and size
- > ensuring we provide accountancy qualification which are recognised by employers
- > developing knowledge of markets and stakeholder needs and aspirations
- > more effectively lead and shape the agenda of the profession
- > the development of relevant products, services and brand
- > the recruitment and retention of our membership base
- > customer-focused delivery of products and services

**EMBEDDING A
CUSTOMER-CENTRIC
APPROACH**
links to...



- > sustainable growth
- > a technology-enabled, integrated and efficient global infrastructure
- > ensuring we have people with the knowledge and skills to deliver our strategy
- > supporting an aligned organisation

**RECRUITMENT,
CONVERSION AND
RETENTION**
links to...



- > become the leading global professional accountancy body in reputation, influence and size
- > sustainable growth
- > developing an in-depth knowledge and markets and stakeholder needs and aspirations
- > the development of relevant products, services and brand
- > the recruitment and retention of our membership base

OUR RISKS

WE RECOGNISE THAT THE ACTIVE MANAGEMENT OF RISK IS VITAL TO ORGANISATIONAL SUCCESS. AS PART OF OUR DAY-TO-DAY ACTIVITY WE IDENTIFY RISK AND DEVELOP CONTROL STRATEGIES THAT ARE ARTICULATED IN OUR SYSTEM OF RISK REGISTERS. RISK MITIGATIONS ARE MONITORED AND REPORTED UPON THROUGHOUT THE ORGANISATION.

Our principal risks have been identified as those risks that may have a significant effect on the continued success of our organisation. Each corporate level risk is owned by a member of the Executive Team. These risks are reviewed and reassessed on a monthly basis, with further scrutiny at Audit Committee level. By focusing on our risks in this way we can understand the amount of risk we are carrying and design mitigation strategies accordingly. This activity also helps us to determine the content of the internal audit programme for the year.

Our principal risks include:

> Negative effects associated with a potential loss of statutory recognition. This risk encompasses factors associated with our duties to regulate the activities of our students and members. Mitigations associated with this risk are wide and include working with the Financial Reporting Council, diligently implementing audit recommendations and the continuation of our high-quality approach to regulation.

> Factors associated with potential fraudulent activity in our exam and student registration processes also present risks to our reputation. To mitigate this risk, we have introduced a wide range of controls including electronic photo docket for students attending examinations, IT security controls, reserve papers and a robust results moderation system.

> We also recognise that we carry both risks and opportunities associated with our change in focus for exam delivery from paper-based to electronic systems. This will fundamentally change ACCA's business operating model and is an area of vital importance for us, hence a suite of mitigations have been developed which include actively consulting with stakeholders, carrying out customer behaviour research and developing robust financial modelling. We have put in place contract management capability and processes to manage our e-delivery suppliers. This will ensure that operations will not be significantly disrupted as we move to our new operating model.

> The delivery of exam results on time to students presents a risk of both operational and reputational importance. To mitigate this risk, we closely manage our exam timetable and our key suppliers that play an important part in this activity and also carry out 'dry runs' of the process to ensure that it is operating as intended.

> There are also risks associated with our moves to the latest technology and ways of working. To mitigate this risk, we have implemented a strategic portfolio management system and track proposed structures and business cases to ensure that benefits are realised. In addition, we carry out decommissioning activity throughout project activity, and we are further developing our resource planning to help us plan, forecast and model our resource requirements.

Finally, we recognise that our marketplace is not static. This presents risks to us including a reduced ability to accurately forecast changes to income arising from a number of factors including the choices made by students, changes in the marketplace and the activities of legislators. Our suite of mitigations for this risk is wide and includes carrying out detailed monitoring, reviewing our assumptions regularly and continually enhancing our financial modelling processes.

OUR FINANCIAL PERFORMANCE

> Five year summary of financial performance

	Mar 2012 £'000	Restated Mar 2011 £'000	Restated Mar 2010 £'000	Restated Dec 2008 £'000	Restated Dec 2007 £'000
Operating income	<u>143,698</u>	<u>131,787</u>	<u>137,353</u>	<u>107,810</u>	<u>91,603</u>
Gross operating surplus	<u>20,147</u>	<u>16,020</u>	<u>9,562</u>	<u>11,676</u>	<u>5,255</u>
Pension curtailment gains	<u>7,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating surplus/(deficit)	<u>12,785</u>	<u>3,591</u>	<u>(1,742)</u>	<u>3,406</u>	<u>1,255</u>
Other (losses)/gains	<u>(296)</u>	<u>129</u>	<u>55</u>	<u>-</u>	<u>-</u>
Income from investments	<u>977</u>	<u>751</u>	<u>1,143</u>	<u>1,395</u>	<u>1,270</u>
Surplus/(deficit) before tax	<u>13,466</u>	<u>4,471</u>	<u>(544)</u>	<u>4,801</u>	<u>2,525</u>
Tax	<u>(76)</u>	<u>(24)</u>	<u>(18)</u>	<u>(16)</u>	<u>(24)</u>
Other comprehensive income	<u>2,391</u>	<u>1,909</u>	<u>4,190</u>	<u>(5,523)</u>	<u>1,212</u>
Recognition of actuarial gains/(losses)	<u>(15,367)</u>	<u>10,888</u>	<u>(4,545)</u>	<u>(18,202)</u>	<u>(1,534)</u>
Total comprehensive income	<u>414</u>	<u>17,244</u>	<u>(917)</u>	<u>(18,940)</u>	<u>2,179</u>
Non-current assets	<u>54,139</u>	<u>48,447</u>	<u>42,738</u>	<u>31,475</u>	<u>38,051</u>
Current assets	<u>78,115</u>	<u>61,071</u>	<u>55,612</u>	<u>29,568</u>	<u>19,006</u>
Total assets	<u>132,254</u>	<u>109,518</u>	<u>98,350</u>	<u>61,043</u>	<u>57,057</u>
Non-current liabilities	<u>19,987</u>	<u>15,068</u>	<u>26,878</u>	<u>22,045</u>	<u>6,160</u>
Current liabilities	<u>86,182</u>	<u>68,779</u>	<u>63,045</u>	<u>29,654</u>	<u>22,613</u>
Total liabilities	<u>106,169</u>	<u>83,847</u>	<u>89,923</u>	<u>51,699</u>	<u>28,773</u>
Accumulated fund	<u>14,595</u>	<u>16,572</u>	<u>1,237</u>	<u>6,344</u>	<u>19,761</u>
Other reserves	<u>11,490</u>	<u>9,099</u>	<u>7,190</u>	<u>3,000</u>	<u>8,523</u>
Total funds and reserves	<u>26,085</u>	<u>25,671</u>	<u>8,427</u>	<u>9,344</u>	<u>28,284</u>
Total reserves and liabilities	<u>132,254</u>	<u>109,518</u>	<u>98,350</u>	<u>61,043</u>	<u>57,057</u>

All columns are for calendar years ending on those dates except the column for Mar 2010, which represents the 15 month period to 31 March 2010.

Financial information

The five-year summary presents the consolidated results for ACCA and its subsidiaries. All figures are presented under International Financial Reporting Standards (IFRS).

Change in accounting policy

Two changes to accounting policy have been applied this year, and all prior years in the five-year summary have been restated to show the results as if the new policies had been applied throughout.

Firstly, having reviewed IAS 27 which sets out the requirements for presenting consolidated financial statements, Council has concluded that it is appropriate to consolidate the results of our charitable trust, The Certified Accountants Educational Trust.

Secondly, Council has elected to change the accounting policy for the recognition of actuarial gains and losses arising on the defined benefit pension schemes. Proposed amendments to IAS 19 will come into effect for our financial year ended 31 March 2014 which will result in the removal of the corridor method for recognising unrealised pensions gains and losses. Prior to this change in policy, ACCA had adopted that method, which resulted in an element of unrealised pension gains or losses not appearing on the face of the balance sheet. To ease understanding of our financial performance and to improve transparency, we have changed our accounting policy so that we recognise all unrealised gains or losses on the face of the balance sheet.

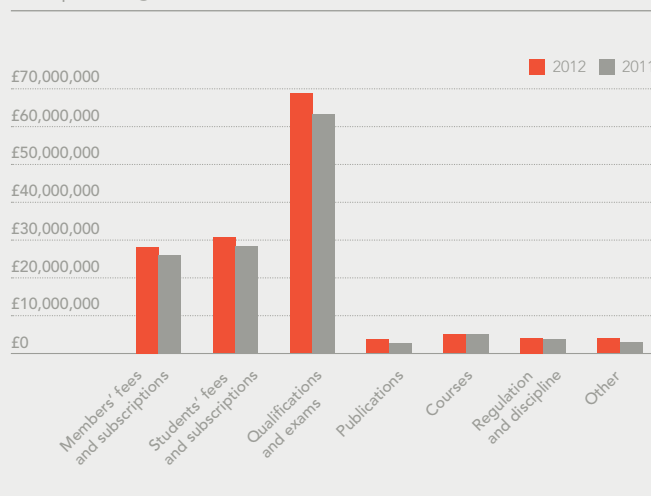
Current year performance

Commentary is provided below on financial performance which is material to our results. More detailed financial information is available in our consolidated financial statements, which may be obtained from: www.accaglobal.com

Operating income – 9% growth

We continued to see growth in our member and student numbers, which contributed to increased income from fees and subscriptions. Income from qualifications and examinations also grew in response to the increase in student numbers and the number of entries for the examinations. There was also strong growth in income from publications, through advertising in our magazines and web pages, royalties and mailing services.

> Operating income



Gross operating surplus – £4.3m higher than target

ACCA measures its financial performance on a gross operating surplus basis, prior to charging strategic development expenditure and the effects of the pension curtailment. For the year to 31 March 2012, performance on that basis amounted to £20.147m compared with a target of £15.830m. An ongoing focus on cost consciousness and value for money improved our margins, and this, combined with improvements in the alignment of operating expenditure with strategic priorities and outcomes, resulted in the outperformance.

Pension curtailment gains

During the year, ACCA reached the conclusion of a review of its defined benefit pension schemes in the UK and Ireland. Both schemes will close to future accrual on 31 July 2013 and a number of changes were made to the schemes at 31 July 2011 which resulted in a curtailment of both schemes at that date. Accounting standards require the effects of the curtailment to be included in arriving at operating surplus. For ACCA, the effect was a gain of £7.3m, reflecting the reduction in the pension liabilities caused by the changes made to the schemes.

Total comprehensive income

Council has a long-term target to build the accumulated fund to 60 days of operating expenditure by generating an operating surplus each year and taking investment income and other comprehensive income to reserves. Other comprehensive income includes currency translation differences and unrealised gains on our investment portfolio and land and buildings. The properties which we own were revalued on 31 March 2012, adding £1.75m to reserves.

The change in accounting policy for pensions requires us to recognise pensions gains or losses in total comprehensive income. As demonstrated in the five-year summary, the value of these gains and losses tends to be very volatile due to the dependency on corporate bond yields. In addition, the pension fund assets are held in both equities and bonds, so the value of assets can move differently from the value of the related liabilities, contributing to the volatility.

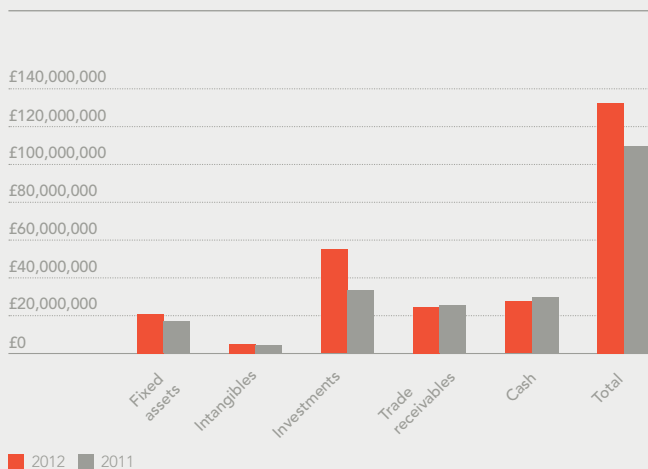
Total comprehensive income for the year amounted to £0.4m. A strong underlying operational performance combined with investment income and unrealised investment and property gains was offset by the net impact of pension losses and the curtailment of the pension schemes.

Total assets

The growth in total assets is primarily due to the amount of cash received from students entering for the June 2012 examinations in the early entry period, which closed on 8 March. The majority of that cash has been invested in certificates of deposit.

The main growth in fixed assets has been the triennial revaluation of the owned properties, and the capitalisation of equipment and related resource costs to deliver the necessary IT infrastructure to support our move to delivery of key transactional services online.

> Total assets

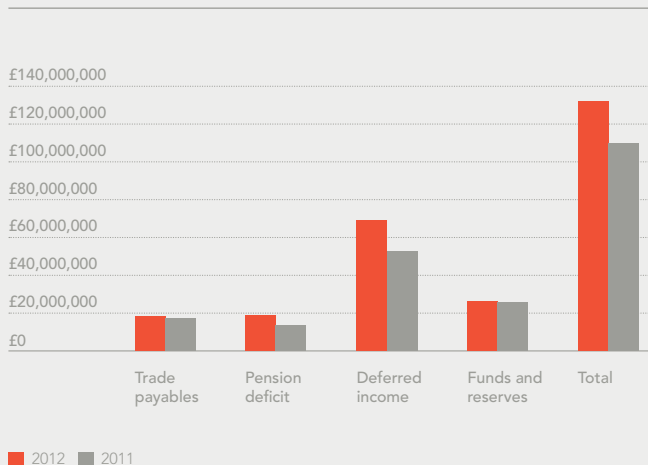


Total reserves and liabilities

The main growth in reserves and liabilities has been in deferred income, which are payments received in advance for fees and subscriptions and examination entries.

The increase in the pension deficit caused by actuarial losses has been offset by the positive impact of the pension curtailment, which reduced the liabilities in the schemes, and the effect of contributions paid into the schemes.

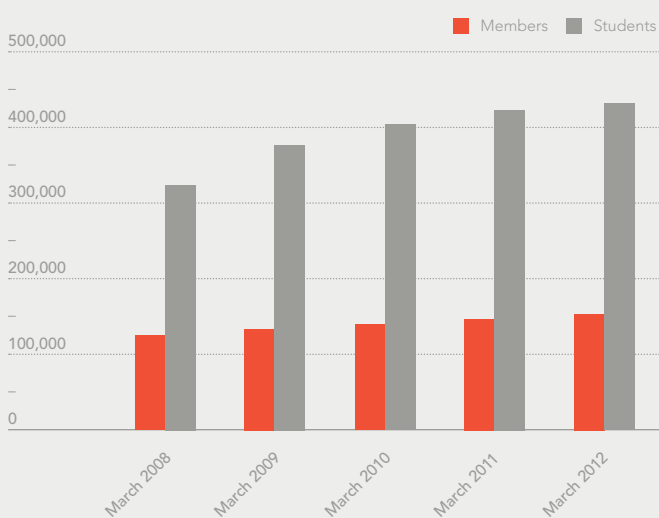
> Total reserves and liabilities



Membership growth

	Total Members	Total Students*
March 2008	125,466	324,372
March 2009	134,086	377,053
March 2010	140,225	404,594
March 2011	147,265	423,935
March 2012	154,337	432,396

> Membership growth



* These figures include ACCA Qualification students and affiliates, Foundations in Accountancy students and Diploma in International Financial Reporting students.

Membership by region

Region	Total Members	Total Students*	Regional Total	% Increase
Asia Pacific	43,704	113,623	157,327	4.4%
Middle East, North Africa and South Asia	3,893	77,372	81,265	1.3%
Sub-Saharan Africa	9,964	81,759	91,723	0.1%
Europe and Americas	96,776	159,642	256,418	3.1%
TOTAL	154,337	432,396	586,733	2.7%

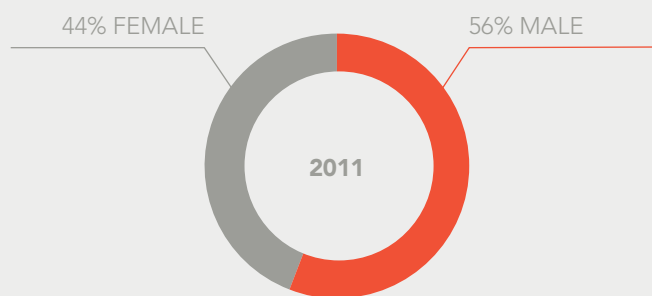
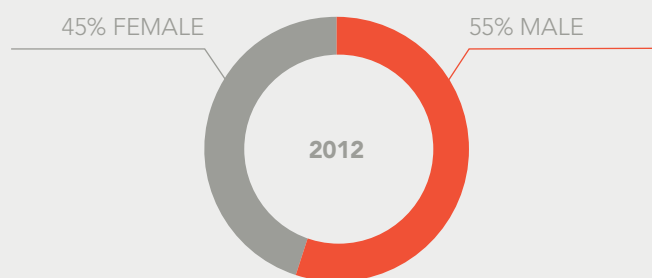
*Includes affiliates.

Membership by gender

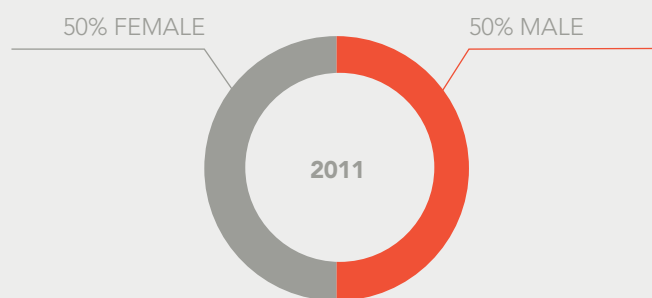
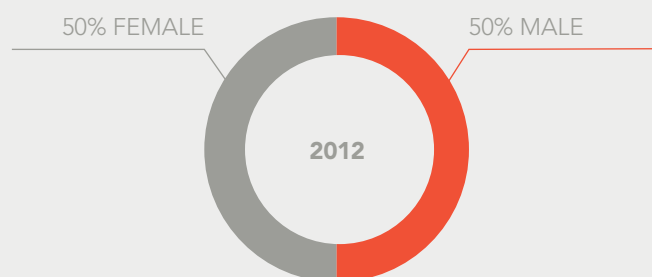
As at 31 March 2012:

- > 55% of members were male (56% as at 31 March 2011) and 45% were female (44% as at 31 March 2011)
- > 50% of ACCA students were male (50% as at 31 March 2011) and 50% were female (50% as at 31 March 2011).

> Members by gender



> Students by gender



HOW WE CREATE VALUE >



WE AIM TO BE THE LEADING GLOBAL PROFESSIONAL ACCOUNTANCY BODY IN REPUTATION, INFLUENCE AND SIZE BY 2015. WE WILL DELIVER THIS PRIMARILY – THOUGH NOT EXCLUSIVELY – THROUGH OUR MEMBERS.

Our work is therefore centred around creating and maintaining a global supply of professionally qualified accountants, who are trained to the same high standard, and who are demanded by employers around the world. Through the ACCA Qualification, we equip talented individuals, regardless of background, with the skills to meet the needs of the changing business environment and the ethical understanding which means they act in the best interests of those they serve. By doing this, we deliver both economic and public value around the world.

Resources

The resources on which we rely to create value are:

Our people:

Having the right people with the skills and capability to deliver our strategy is essential to ACCA's success. In 2011-12, we have continued to invest in employee development by rolling out leadership training further throughout our workforce and moving our national offices away from transactional to more strategic engagement with our customers in market, where they can add genuine value. We have also redesigned our performance management process for employees so that it links more directly to our overall strategy and worked to build the ethical understanding and behaviours of our people through an internal campaign around the importance of public value.

Our brand:

Our brand promise fundamentally stems from our members, who possess the skills required by employers across all sectors and who commit to high standards of professional conduct and ethics, and to ensuring their skills and knowledge remains up to date. For ACCA, therefore, our qualifications, professional standards, support for lifelong learning and our programme

of global quality assurance and regulation directly support our brand reputation. To achieve the brand recognition members desire, we invest in our reputation and influence with employers around the world. More widely, our ability as an organisation to innovate and lead and shape the future of the profession helps define our reputation and influence in the marketplace. To achieve this, we need to present our brand consistently in all markets and communicate our brand promise widely through all available channels – and increasingly online.

We need to ensure we develop leading research and insights and consistent and compelling policy positions which influence the debate and are represented in the right forums. The ability to create and innovate links directly to the quality of our employees and their belief in our strategy and core values, and the strength of the relationships we enjoy with employers, members, academics, standard setters and other influencers.

We also need to ensure customers have access to effective, online service support to ensure the brand is known for consistent and reliable customer service.

Our relationships:

ACCA's web of relationships with our customers (members, students and employers), professional bodies, governments, regulators, standard setters, learning providers and academic institutions, and suppliers is vital to our ability to operate now and also to develop in the future, through seeking and acting on feedback. In 2011-12, we have worked even harder to understand our customers' needs and used their views to develop products and services that better meet their requirements and aspirations. Going forward, we will invest even more heavily in our customer relationships as we know they will be central to our future success.

Our finances:

ACCA seeks to maintain an operating surplus each year in order to ensure our long-term sustainability. In order to continually improve what we do, we reinvest a significant proportion of our income in projects and initiatives we believe will make us the leading global professional accountancy body in reputation, influence and size. In 2011-12, we invested £15m in these developmental projects.

Our infrastructure:

ACCA has 83 offices and centres around the world from which it operates including its London headquarters, where corporate functions are located, including learning, brand, people, governance and regulation, and its global operational centre in Glasgow, Scotland, which deals with all global transactional service delivery, finances and IT support.

Natural resources:

In common with all organisations, we rely on natural capital in order to operate. Further details of the effect our footprint has can be found in our CSR Statement at: www.accaglobal.com

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ACCA HAS 83 OFFICES
AND CENTRES AROUND
THE WORLD.

HOW WE HAVE DEVELOPED OUR CAPITAL IN 2011-12 ▶

SOME OF THE SIGNIFICANT WAYS WE HAVE DEVELOPED THE CAPITALS ON WHICH WE RELY OVER THE PAST YEAR ARE:

Our people

- > **Performance management process:** we have redesigned our performance management process for employees so that it more effectively links strategic outcomes to personal contribution. This new process will come into effect for the 2012-13 performance year.
- > **Reward mechanisms:** in January 2012, we introduced a Total Reward system for our employees in the UK and Ireland, giving them more control over their pay and benefits package, as well as allowing them to structure their pay in the most tax-efficient way possible. Outside the UK, pay and benefits packages continued to be developed in response to ensuring employees are remunerated fairly and equitably with regard to local market practices.
- > **Leaders in our markets:** over the course of the year, we appointed a number of new market heads, strengthening our capacity in markets. These included, for the first time, separate heads for *ACCA USA* and *ACCA Canada*, recognising the significance of these markets to our current strategy and future growth. In Pakistan, we created separate heads for our *ACCA Islamabad*, *ACCA Lahore* and *ACCA Karachi* offices to better serve one of our largest markets.
- > **New corporate plan:** in April 2011, we introduced an improved corporate plan as a tool to give employees better visibility of the range of activities across the organisation that ACCA would be focusing on for the 2011-12 performance year. The corporate plan showed how ACCA planned to deliver its strategy during 2011-12 and identified all the key things that were planned to achieve this. It also demonstrated how individual performance plans and departmental and market plans link to the overall strategy.

Further information on our people strategies and metrics can be found in our *CSR statement* at: www.accaglobal.com



THE NEW E-ASSESSMENT MODEL WILL ENABLE US TO TEST STUDENTS' KNOWLEDGE AND SKILLS IN A WAY WHICH MORE ACCURATELY REFLECTS REAL-LIFE WORKPLACE SCENARIOS AND ACTIVITIES.

Brand capital

- > **E-delivery:** in July 2011, we announced our vision to deliver all ACCA examinations online through an innovative e-assessment programme. The new e-assessment model will enable us to test students' knowledge and skills in a way which more accurately reflects real-life workplace scenarios and activities. The initiative also meets employers' calls for greater flexibility and options for when ACCA's globally recognised qualifications can be taken. Detailed consultation work which will see ACCA working with all relevant stakeholders to create this new generation of examinations is already under way.
- > **Centralised contact:** we implemented a global telephony solution which has enabled us to centralise transactional contact for nine key markets: Australia, the Czech Republic, Hong Kong SAR, Ireland, Malaysia, New Zealand, Poland, Romania and Singapore. All calls to the central contact centre are charged at local rates. To service queries, our global contact centre *ACCA Connect* moved to 24/7 365 operation, making ACCA the first professional accountancy body to offer this round-the-clock service. We have also centralised transactional email contact for all these markets.
- > **Improved processes for students:** we introduced fully online registration and examination entry, including flexible deadlines, meaning that students can enter for exams online all year round. Because of our improved processes, we have been able to reduce the time it takes for students to receive their results by one week. As a result of these improvements, we have been able to move registration, exam entry, exam docket and exams results processes completely online for students in Australia, Hong Kong SAR, Ireland, Malaysia, Singapore, Ukraine and the UK.
- > **Developing the profession in Singapore:** in November 2011, ACCA was awarded the tender to act as consultant in the development of a new post-university professional accountancy qualification in Singapore (the 'Singapore QP') and we are delighted to have this opportunity to contribute to the strengthening of the nation's profession.

- > **Employer perceptions:** as a result of working more closely with leading employers around the world, we have seen improvements in both awareness and perceptions of the ACCA brand. In a survey of 224 employers from 82 separate high-profile organisations across 28 countries, ACCA was consistently rated as the leading global professional accountancy body. 94% said ACCA was a world class organisation (up from 84% last year), 88% said the ACCA Qualification was relevant to all employment sectors (up from 81% last year) and 92% said ACCA was a respected brand (up from 90% last year). In addition, 72% of employers surveyed believed a public association with ACCA would help increase the profile of their own organisation (up from 67% last year).
- > **Launch of Global Forums:** in September 2011, we launched ten new Global Forums to reinvigorate our technical committees and bring together expertise from all sectors around the world to tackle issues crucial to the finance profession and business. The forums, which meet regularly, have already helped develop ACCA's work to influence government, policymakers and businesses on key issues and contribute to ACCA's research and insights projects and initiatives. The Global Forums are: The Accountancy Futures Academy; Accountants for Business Global Forum; and global forums for Governance Risk and Performance; Corporate Reporting; Audit and Assurance; Sustainability; Business Law; Public Sector; Taxation; and SMEs.
- > **Influence on the profession:** ACCA is active in all major debates on technical policy issues, both at the domestic and international levels. We are a member of many high level professional and business bodies, including the International Federation of Accountants, the European Federation of Accountants and the Confederation of Asian and Pacific Accountants, and participate in the technical programmes of all those bodies. We also engage with governments and legislators at the national level and submit representations on all key issues both on a proactive and reactive basis. During 2011-12, we made distinctive contributions to major professional debates on audit, financial reporting and public sector financial management and have undertaken and published international surveys on issues such as the convergence process on accounting standards and the value of corporate reporting.
- > **Improving disciplinary investigations times:** we have invested in extra staff resources and put in place a mechanism to allow us to draw on outsourced resources when required, so that we can complete the majority of our investigations within six months, going forward. The Professional Oversight Board (part of the Financial Reporting Council) conducts an annual inspection and has noted the improvement in turnaround times as a result of this investment.
- > **ACCA Careers:** in September 2011, we launched our new global careers website ACCA Careers with dedicated sites in Hong Kong SAR, Ireland, Malaysia, Singapore and the UK. As at 31 March 2012, there were 21,480 registered users and 10,015 job listings.

- > **Continuing professional development:** we started work on improving the CPD section of ACCA's website. There is still a long way to go to improve the customer experience, but we have now pulled all learning resources (e-learning, articles, further qualifications, classroom-based training) together in one place. In response to the demand for 'immediate' learning and information, we have extended our e-learning provision by working with expert partners and the new section of the website includes over 160 e-learning modules. We aim to provide learning for every topic identified as important in the member training needs analysis survey. During 2011-12, we also introduced technical webinars which provide an opportunity to interact with the speaker, access recordings of events and review comprehensive supporting notes and new relationships were established with AccountingCPD.net and IFRS specialist W Consulting. Our *Accounting and Business* brand has built on the success of its articles with self-assessment tests (114,979 tests were completed by members in 2011) and by offering podcasts and free webinars on many of our research and insights topics.
- > **Improvements to ACCA's website:** we have redesigned significant sections of our website, including all section homepages, our pages for prospective students, employers and our research and insights content. All redesigned pages are hosted on a new platform that has been extensively stress-tested so it can handle significant traffic.
- > **Social media:** we have invested in social media, an effort which has seen significant growth on all the platforms we use. Fans of the official ACCA Facebook page have more than doubled from 52,607 on 31 March 2011 to 126,179 on 31 March 2012. Twitter followers of the main ACCA Twitter feed, @ACCANews, have more than doubled from 8,509 at the end of March 2011 to 17,075 on 31 March 2012. The official members-only ACCA LinkedIn group has also more than doubled its size, from 5,139 in 2011 to 10,552 in 2012. ACCA's dedicated SME Twitter feed now has over 6,000 followers and @ACCANews remains the most followed Twitter news feed amongst ACCA's key competitors.

126,179

FANS OF THE OFFICIAL ACCA FACEBOOK PAGE HAVE MORE THAN DOUBLED FROM 52,607 ON 31 MARCH 2011 TO 126,179 ON 31 MARCH 2012.

Our relationships

- > **Global accountancy partnerships:** we have 73 global accountancy partnerships, which help deliver our promise of global reach and relevance. Significant additions and renewals during 2011-12 include:
- IMA – in January 2012, we announced a major new collaboration with IMA (the Institute of Management Accountants), the US-based association for accountants and finance professionals in business, with a global network of 60,000 members in 120 countries. This enhances ACCA's international reach and will see our two organisations collaborating on a number of initiatives relating to thought leadership, including research, round tables and forums in areas of mutual interest.
 - ACT – in May 2011, we signed a memorandum of understanding with ACT (the Association of Corporate Treasurers) which sees us working together internationally to promote the AMCT Diploma (Associate Member of the Association of Corporate Treasurers) to ACCA's global membership. ACCA members worldwide are able to access the fast-track exemption programme to gain the ACT's AMCT Diploma in Treasury and benefit from reduced fees for ACT's Certificate in International Treasury Management (CertITM) course.
 - CGA-Canada – in July 2011, we renewed the mutual recognition agreement (MRA), originally signed by the two bodies in December 2006. The MRA will now run for a further five years until 2016, with the aim of bringing additional benefits to members of both organisations. The MRA has already enabled many qualified members of each association to become a member of the other body and enjoy the benefits of greater international recognition and improved professional mobility.
 - CIOT – in July, we announced a new agreement with CIOT (the Chartered Institute of Taxation) which provides enhanced CPD opportunities for our members specialising in tax.
 - MICPA – we were also delighted to renew our mutual recognition agreement with the Malaysia Institute of Certified Public Accountants (MICPA), which will continue to enable members of both bodies to enjoy direct membership of the other and see us working together to strengthen the accountancy profession in Malaysia.

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WE HAVE 73 GLOBAL ACCOUNTANCY PARTNERSHIPS, WHICH HELP DELIVER OUR PROMISE OF GLOBAL REACH AND RELEVANCE.

- > **IIRC:** we have continued to provide active support to the International Integrated Reporting Council as it leads the move towards a more holistic and forward-looking mode of corporate reporting. Our chief executive, Helen Brand, was appointed to the IIRC's Governance Committee and ACCA worked to promote its integrated reporting discussion paper widely around the world, working with the IIRC team. From January 2012, ACCA has been pleased to provide the IIRC with office space as it continues its important work on the future of corporate reporting.
- > **IFAC representation:** we made three successful nominations to IFAC boards and committees:
 - Brendan Murtagh, FCCA, a past ACCA president, joined the International Auditing and Assurance Board (IAASB)
 - Phoebe Yu, FCCA joined the Compliance Advisory Panel
 - Clare Minchington, FCCA, executive director – learning and products, joined the International Accounting Education Standards Board (IAESB).
- > **CAPA representation:** Gillian Fawcett, head of public sector, was appointed to the public sector committee of the Confederation of Asian and Pacific Accountants (CAPA).
- > **Professions for Good:** ACCA joined a collective of like-minded organisations, including the Royal Institute of Chartered Surveyors, the Royal Academy of Engineering and other accountancy bodies, to focus on fair access to the professions and social mobility in the UK. Together with other Professions for Good members, ACCA also supports the Common Best Practice Code for High Quality Internships and signed up to the UK government's Social Mobility Compact pledge, which seeks to improve opportunities for people across society, particularly through learning, work experience and career opportunities. ACCA was present at exclusive forums on social mobility, including with the UK's deputy prime minister.



OUR CHIEF EXECUTIVE, HELEN BRAND, WAS APPOINTED TO THE IIRC'S GOVERNANCE COMMITTEE AND ACCA WORKED TO PROMOTE ITS INTEGRATED REPORTING DISCUSSION PAPER WIDELY AROUND THE WORLD, WORKING WITH THE IIRC TEAM.



DURING THE PAST YEAR, WE HAVE STRENGTHENED OUR STRATEGY-LED FINANCIAL PLANNING CYCLE TO ENSURE WE HAVE THE OPTIMUM ALIGNMENT OF FINANCIAL RESOURCES WITH OUR STRATEGIC PRIORITIES.

Our finances:

- > **Strategy-led financial planning:** during the past year, we have strengthened our strategy-led financial planning cycle to ensure we have the optimum alignment of financial resources with our strategic priorities. This, combined with our continued focus on cost consciousness and value for money, has allowed us to keep cost increases to the minimum required to support our growing organisation. At the same time, we have further developed our core financial models to support our decision-making and future financial planning.

Our infrastructure:

- > **IT stability investments:** as part of the investment we are continuing to make in our IT infrastructure, we successfully transferred our IT services to two managed external data centres in November 2011. This gives us the necessary stability and security needed to progress our digital strategy.

ACCA AROUND THE GLOBE IN 2011-12 >

BRUSSELS >

In October 2011, in the framework of the EU SMEs week, MEP Paul Rübigen hosted an event in the European Parliament, jointly organised by ACCA and UEAPME (the European Association of Craft, Small and Medium-sized Enterprises) which looked at *The benefits of the Digital Agenda for SMEs: towards simplification, enhanced cross-border trade and diversified access to finance*. The issue of SMEs and how they undertake financial reporting was also debated at a November event jointly organised by ACCA and EFAA (the European Federation for Accountants and Auditors for SMEs), hosted by MEP Françoise Castex at the European Parliament.



CAMBODIA >

The National Accounting Council (NAC), the Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA) and ACCA Cambodia co-organised the Annual National Conference on Accountancy in Cambodia entitled *Towards Global Standards* in August 2011. The event attracted over 300 participants including key government officials, company directors and chief executive officers, chief financial officers and finance directors, investors, audit partners, financial controllers and entrepreneurs. The conference was presided over by H.E. Deputy Prime Minister of Cambodia Keat Chhon, the Minister in charge of the Ministry of Economy and Finance. The issues of convergence towards IFRS, good governance and the role of the auditor in building public confidence were debated.

CHINA >

ACCA's CFO Summit 2011 on the theme of Delivering World Class Finance Transformation was held in Shanghai in December, with 120 high-profile guests in attendance. Speakers included finance directors and CFOs from Shell China, GE Healthcare and IBM.

ACCA was honoured to be invited to take part in the 10th Corporate Governance Conference, one of the most prestigious annual events held by Shanghai Stock Exchange. ACCA's technical director delivered a presentation on the topic of narrative reporting and transparency. The event, *Overall Listings, Information Disclosures and the Development of Listed Companies*, attracted over 200 delegates comprising mainly Board Presidents, CEOs and CFOs of A-share listed companies, as well as representatives from the event's supporting organisations, the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) and the Organisation for Economic Co-operation and Development (OECD). The event was addressed by the chairman of China Securities Regulatory Commission (CSRC), the vice secretary of CPC Shanghai Municipal Committee, the mayor of Shanghai and the president of the Shanghai Stock Exchange.

GHANA >

ACCA'S CHIEF EXECUTIVE, HELEN BRAND, PAID A COURTESY CALL TO THE PARLIAMENT OF GHANA WHERE SHE MET WITH THE MEMBERS OF THE PUBLIC ACCOUNT COMMITTEE (PAC)

To coincide with her visit to open the new ACCA Ghana office in December 2011, ACCA's chief executive, Helen Brand, paid a courtesy call to the Parliament of Ghana where she met with the members of the Public Account Committee (PAC) and presented a paper on public sector financial management.



INDIA >

To better understand the challenges of workplace diversity, ACCA and the Economic and Social Research Council (ESRC) held three global Expert Panels – all centred on the theme of diversity. The first of these Expert Panels, chaired by Alison Maitland, a journalist, author and expert on leadership, diversity, and the changing world of work, took place in Delhi in November 2011, followed by Shanghai in December 2011 and London in January 2012, bringing together key thinkers to debate and develop new thinking on managing diversity in businesses.

GLOBAL >

IN AUGUST 2011, MORE THAN 6,000 FINANCE PROFESSIONALS REGISTERED FOR ACCA'S ONLINE RESEARCH & INSIGHTS CONFERENCE WHICH WAS AVAILABLE TO VIEW ON-DEMAND VIA THE ACCA WEBSITE UNTIL OCTOBER 2011.

In August 2011, more than 6,000 finance professionals registered for ACCA's online Research & Insights Conference which was available to view on-demand via the ACCA website until October 2011. The conference covered a wide range of topics from a wealth of expert speakers, including: *the new business environment: opportunities for growth; why talent management in finance matters; integrated reporting: a framework for the future; financial issues from Brussels; extended audit reporting; the e-professional: creating the next generation of accountants; making businesses accountable; cloud computing; social media; and XBRL*. HRH The Prince of Wales delivered a live address at the conference on his involvement with the Accounting for Sustainability Project, as part of the session on integrated reporting. The online audience also heard from Professor Mervyn King, now chair of the International Integrated Reporting Council (IIRC), who also talked about the future scope of integrated reporting, as well as the benefits and challenges of creating a framework that brings together financial, environmental and social and governance information in a clear, concise and comparable format.



Jobs Initiative

Economic Recovery



IRELAND >

The annual ACCA Ireland President's Debate took place at the Royal College of Physicians in Dublin in May 2011 at which the guest speakers were Eilis Quinlan, chair of ISME (the Irish Small and Medium Enterprises Association), Senator Sean Barrett, senior lecturer in the economics department, Trinity College Dublin and Hugh Cooney, chair of Enterprise Ireland.



JAMAICA >

ACCA WAS A PLATINUM SPONSOR AT THE 29TH ANNUAL ICAC CARIBBEAN CONFERENCE OF ACCOUNTANTS HOSTED IN 2011 BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF JAMAICA.



ACCA was a platinum sponsor at the 29th annual ICAC Caribbean Conference of Accountants hosted in 2011 by the Institute of Chartered Accountants of Jamaica. More than 1,000 delegates from across the region attended the successful two-day event. ACCA's then president, Mark Gold spoke at the conference opening session on *The role of the profession in ensuring the development of regional economies* and immediately preceded the Hon. Bruce Golding, then Prime Minister of Jamaica.



KENYA >

In November 2011, ACCA's president attended the inaugural Africa Congress of Accountants held in Nairobi, organised by the Pan African Federation of Accountants (PAFA), chairing one of the sessions. ACCA was a Gold sponsor and also published a position paper, *Supporting growth in sub-Saharan Africa*, to coincide with the event. Japheth Katto FCCA, CEO of the Ugandan Capital Markets Authority and IFAC board member welcomed the Kenyan president to this historic event.

MALAYSIA >

In May 2011, 180 chief financial officers and finance executives attended the CFO Summit 2011 on the theme of *CFOs in the Transformational Age – Managing Risks and Rewards*, jointly organised by ACCA and the Asian Strategy and Leadership Institute (ASLI). The opening address was given by the deputy minister of finance and the event, featured expert insights and case studies on various topical issues affecting CFOs, not least the transition to a high-income economy as envisaged by the government's economic transformation plan.

In July 2011, ACCA sponsored the global conference of the Institute of Internal Auditors (IIA), held for the first time in South-East Asia. The conference was attended by over 2,000 high-level internal auditors and offered an excellent forum to reinforce ACCA's profile in areas such as risk and governance.

MYANMAR >

ACCA and the British Council in Myanmar worked together to deliver the first ACCA train-the-trainers event in the country for 32 lecturers from learning partners in Yangon in March 2012.

PAKISTAN >



A series of one day Talent Gymnasium events took place in Karachi, Lahore and Islamabad, aimed at equipping ACCA Professional stage students and affiliates with the key tactics on securing the best job. An audience of over 750 students and affiliates attended the events, with employers including Ernst & Young, KPMG and Nestlé delivering presentations on their recruitment process and the skills and attributes they look for from recruits. A panel discussion with leading employers Coca-Cola, GE, ICI Akzonbel and PwC also formed part of the day, exploring expectation gaps and the evolving roles in accounting and finance.



POLAND >

In December 2011, ACCA Poland organised its fourth annual CFO European Summit. The event brought together 140 leading CFOs and financial executives from across all major industry sectors in Poland. The guest of honour was Professor Grzegorz Kołodko, a former minister of finance, renowned economist and a world expert on transition and development policy.

RUSSIA >

In September 2011, ACCA and IIRC collaborated on a joint integrated reporting round table in Moscow, featuring presentations from Paul Druckman, the chief executive of IIRC and Igor Kozyrev, chief accountant of oil giant, Lukoil.

SINGAPORE >

ONE OF THE KEY HIGHLIGHTS OF THE SUMMIT WAS A PANEL DISCUSSION ON *THE CHANGING GLOBAL ECONOMIC OUTLOOK AND ITS IMPACT ON THE FINANCE FUNCTION*.



The ACCA CFO Summit 2012 was held in January 2012 and attended by over 100 CFOs and senior finance professionals from across the finance, accounting and business industries. The summit addressed how current economic conditions might impact the finance department and how skills sets should be transformed to meet the challenges. One of the key highlights of the summit was a panel discussion on *The Changing Global Economic Outlook and its Impact on the Finance Function*.

UAE >

Helen Brand opened new premises for the ACCA Middle East office in Dubai. During her visit, ACCA Middle East ran its inaugural ACCA Women in Finance and Accounting roundtable event, hosted by Standard Chartered in Dubai, which was attended by senior female finance professionals from multinational and local companies in Dubai, Abu Dhabi and Oman.



UKRAINE >

IN SEPTEMBER 2011, A GLOBAL FORUM SME: DEVELOPMENT THROUGH INNOVATION AND INTERNATIONALISATION WAS HELD BY ACCA UKRAINE, BALTIC AND CAUCASUS STATES.



In September 2011, a global forum *SME: Development through Innovation and Internationalisation* was held by ACCA Ukraine, Baltic and Caucasus States. The event brought together more than 100 representatives of small and medium business, banks, government authorities of Ukraine and EU, international organisations and investment funds, SME associations, economists, finance experts and universities.

UK >

In May 2011, ACCA UK's Financial Services Network worked with the Centre for the Study of Financial Innovation (CSFI) to host event at Lloyds of London on the role of EU legislation in the competitiveness of the City of London.



VIETNAM >

In May 2011, UNCTAD (the United Nations Conference on Trade and Development), the Vietnam Ministry of Finance and ACCA co-hosted a roundtable to discuss the current status of accounting, auditing, and related education in the country and to debate the challenges and opportunities of building national capacities in these fields.

In October 2011, Prof. Dr. Vuong Dinh Hue, the former Auditor General – State Audit of Vietnam was granted honorary ACCA membership in recognition of his contribution to the development of the accountancy profession in Vietnam – only the sixth time this honour has been given since 1999.



HOW WE PLAN TO DEVELOP ACCA FURTHER TO 2015 ➤

Our priorities for 2012-13 are as follows:

Move online

Being seen as an innovative, available and responsive organisation is essential to ACCA's global reputation. Customers and partners will therefore increasingly expect ACCA to offer all its key services online for reasons of speed, flexibility and convenience. Significant progress has been made in developing online capability throughout 2011-12 including the launch of the first phase of the new ACCA website, significant improvements to online transactional processes for students and moving our IT infrastructure to an externally managed data centre which provides the foundation for continuous online service improvements. ACCA will continue this move online in 2012-13 and work to connect our global network of members, students and other stakeholders through social media and other technologies that meet the needs of an increasingly digitally enabled world. In the longer term, this will include the e-delivery of all ACCA's qualifications, reshaping the student experience and allowing employers to structure the training of finance professionals around their business demands.

Focus on our proposition to the corporate sector

The corporate sector is likely to provide the greatest number of opportunities for our members and students now and in the future. At present, 56% of our global membership works in the corporate sector. Furthermore, an estimated 50% of ACCA members who qualify in public practice will move into the corporate sector within two years of qualification. ACCA firmly believes it has the ideal qualification for the needs of this sector and therefore we will be concentrating on clearly articulating this to corporate employers.

Improve conversion

The ultimate measure of ACCA's success is the number of members it creates and retains. ACCA's global reach and its commitment to being an inclusive body mean that our students can face challenges in achieving membership and we therefore need to consider what we can do to help more of our students become members and reap the rewards membership brings. In 2012-13, the focus will be on the conversion element of the member creation process by developing initiatives and processes that will help convert a higher proportion of students into members, while maintaining the high professional and ethical standards which give the ACCA brand its global standing.

56%

AT PRESENT, 56% OF OUR GLOBAL MEMBERSHIP WORKS IN THE CORPORATE SECTOR.

BEYOND 2015 ▶

BY 2015, WE INTEND TO BE A COMPLETELY CUSTOMER-CENTRIC ORGANISATION WITH A CLEAR DIVISION BETWEEN CENTRALISED TRANSACTIONAL AND SUPPORT SERVICES PROVIDED LARGELY ONLINE, WITH OUR EMPLOYEES IN MARKETS FOCUSING SQUARELY ON STRATEGIC ENGAGEMENT THAT WILL HELP ACCA CONTINUE TO GROW IN REPUTATION, INFLUENCE AND SIZE.

Post 2015, we intend to be delivering all our examinations online, which will see us operating in a new way, with new partners. Aside from the significant operational changes we need to make to achieve this, we need to take account of how the future global landscape might affect ACCA:

- > **the continued rise of growth and emerging markets:** ACCA will continue to invest in existing and new markets to further its promise of global mobility and relevance. Population growth will drive demand for natural resources, which in turn is likely to lead to more volatile capital markets as the costs of commodities and utilities reflect supply and demand
- > **globalisation:** with any size of business now able to trade internationally, the attraction of a globally recognised qualification will be strong. However, this is leading to increased competition from other designations and ACCA needs to ensure it continues to lead in this space by responding quickly to market needs and innovating for customers



ACCA WILL CONTINUE TO INVEST IN EXISTING AND NEW MARKETS TO FURTHER ITS PROMISE OF GLOBAL MOBILITY AND RELEVANCE.

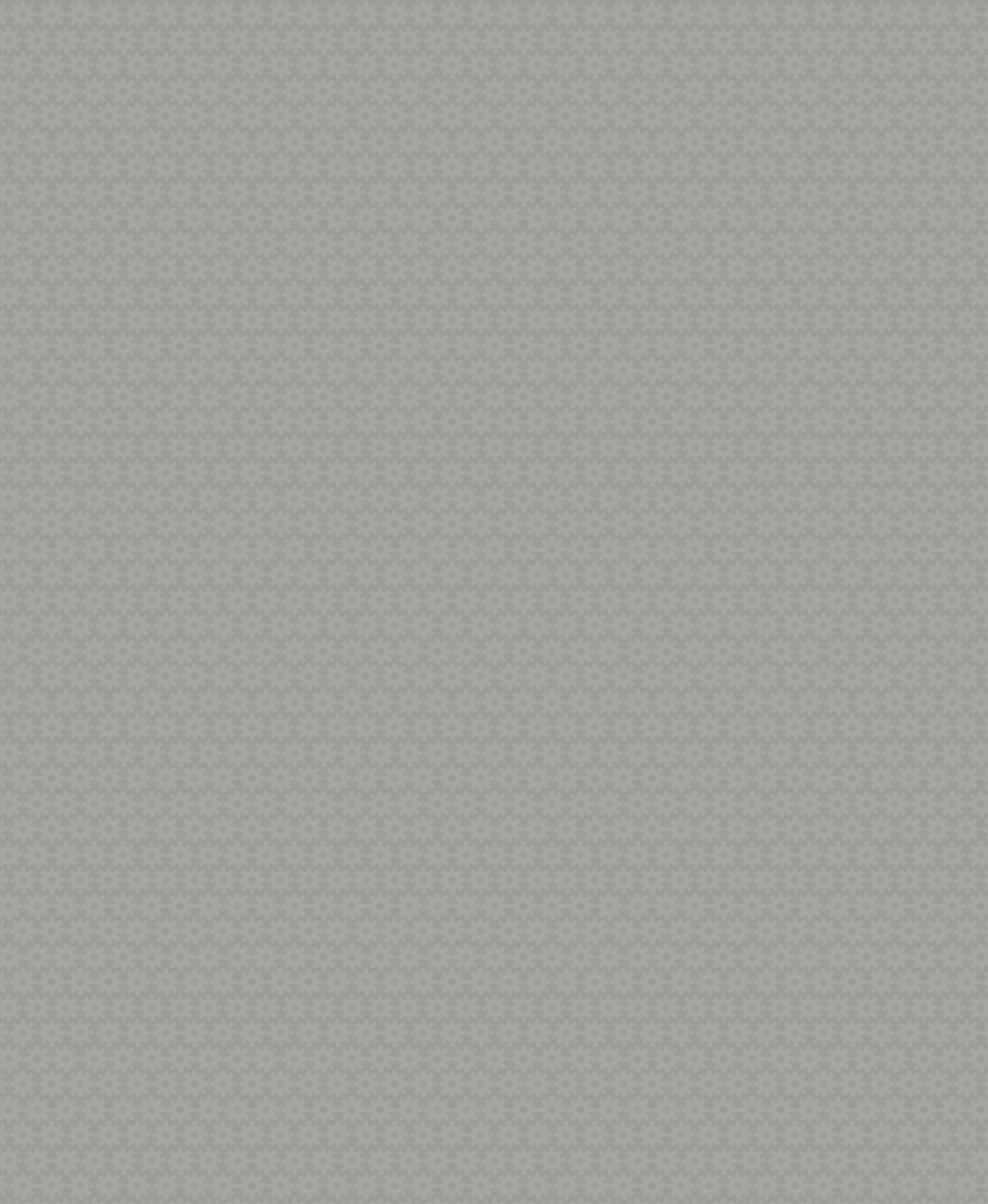


THE INCREASING INFLUENCE OF THE VIRTUAL WORLD IS LIKELY TO IMPACT EVERY SPHERE OF BUSINESS AND SOCIETY, INCLUDING BUSINESS MODELS AND THE NATURE OF ORGANISATIONS.

- > **sustainability:** a continued and ever more pressing case to manage the earth's resources in a sustainable manner will further influence business paradigms, costs and compliance and the profession will need to respond to this
- > **moving online:** the increasing influence of the virtual world is likely to impact every sphere of business and society, including business models and the nature of organisations
- > **the relevance of professional designations:** as distinctions between professions blur, we will need to ensure that professional accountants continue to be valued for their skills, abilities and ethics by both business and society
- > **English as a business language:** ACCA's success has been facilitated by the acceptance of English as the international language of business. We will need to assess the extent to which English will remain the prime international business language or whether, as economies diversify, other languages will become more primary in international and/or regional business.

We will begin developing ACCA's strategy post 2015 this year, commencing with high-level discussions with Council on our future direction, taking into account these and other global trends.

INTEGRATION / TRANSPARENCY / ACCOUNTABILITY





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