

ANNUAL REVIEW 2008

GLOBAL STANDARDS: THE BUSINESS BENEFITS



While 2008 was a good year in terms of growth for ACCA, we were focused on the global economic conditions and worked to ensure members, students and the public were well informed about the issues.

ACCA remains committed to the many countries in which it has an active presence, with a view to the long term. We believe that the skills of accountants are vital to restoring confidence in the global economy, helping business to identify and manage drivers of cost and sustainable growth.

In the current economic climate, ACCA also needs to support its members and students and to ensure that it is delivering the best possible level of service.

PRESIDENT'S INTRODUCTION TO THE ANNUAL REVIEW



Richard Aitken-Davies
President

The past year has been a momentous one for ACCA.

As your president, it has been a privilege to see first-hand how the global community of ACCA members and students has risen to new challenges, seized opportunities and celebrated our successes.

Clearly, the biggest challenge has been the unfolding of the current global economic situation. We have seen its impact spread to all the regions and employment sectors in which members and students live and work.

ACCA recognises its responsibility to support members and students. We are committed to providing appropriate advice and guidance and ensuring you are in the best position to help the businesses which depend on your expertise and professionalism.

There is a great deal to celebrate during the past year, not least the 12,500 students who successfully completed ACCA's final examinations.

A particular highlight for me was our celebration of 20 years of the modern accountancy profession in China, under the theme of *Partners in Progress*. Our events to mark this milestone underlined the significant role ACCA has played in the profession's development and paid tribute to the impressive progress made by the Chinese profession.

In 2008, Allen Blewitt stepped down as chief executive, after five successful years at the helm. Allen's successor, Helen Brand, was appointed from within ACCA, after a competitive recruitment process – an endorsement of ACCA's excellent succession planning. I am confident Helen will lead ACCA to even greater things with her strong commitment to shape the organisation to meet the challenges ahead and to deliver our ambitious strategy.

A handwritten signature in black ink that reads "Richard Aitken-Davies". The signature is written in a cursive, flowing style.

PERFORMANCE 2008

Council oversees the successful implementation of ACCA's strategy by setting targets which reflect a broad range of outcomes relevant to the organisation's development as a global professional body. Targets are established relating to ACCA's position in the market, growth in member numbers, financial performance, perception measures by core stakeholders, and indicators relating to effective delivery of a global organisation.

ACCA as the global professional accountancy body

In independent surveys, ACCA is rated by employers of accountants as the leading global body.

98% awareness among employers sampled
58% believe ACCA is a global thought leader in the profession

Market position

ACCA continues to grow its market share and develop its global infrastructure.

50 markets where ACCA is the international leader by size
82 offices and centres in
69 countries

Financial performance

ACCA's financial position has remained robust to date in the difficult economic climate. The total asset base increased by 5% in 2008 to £58m and there was good revenue growth, with a surplus generated to contribute towards future financial sustainability.

£104.08m operating revenue
£3.4m operating surplus

Member growth

There was a total increase of **8,972** members in 2008. Investment is being made in resources to help students complete the ACCA Qualification and improve the rate of conversion to membership.

131,398 total members

Relevant qualifications and support

69% of stakeholders believe ACCA offers relevant qualifications. Overall member satisfaction and retention remains high, and 65% of members believe ACCA is good value for money.

98% members carrying out CPD
8,424 Approved Employers

Effective global delivery

ACCA employees have a clear understanding of how their work relates to delivery of strategy – with 83% of employees agreeing with this in a global survey. Investment continues to be made in global delivery, customer services and local resources to ensure ACCA can deliver its strategy effectively.

57 global accountancy partnerships
360 exam centres
193 Approved Learning Partners

73% of members obtain high overall value from ACCA

GLOBAL STANDARDS GLOBAL ECONOMY

For many years, ACCA has been a strong supporter of the desire for global standards in accounting to promote transparency and facilitate effective international business. It adopted a global theme in 2008 – *global standards: the business benefits*.

Given the large investment in developing international standards and their increasing adoption, ACCA aimed to assess their benefits to business and other stakeholders at a critical point, through global consultation, research and debate. The theme became especially topical in the light of the debate on fair value accounting and its role in the global economic crisis. ACCA supported fair value, while welcoming moves by the IASB to ease measurement under certain circumstances.

Many events were held on the theme, featuring high-profile speakers. This included conferences across North America and ACCA's first ever CFO conference in Poland. New partnerships were formed in Latin America as the region moves towards the adoption of international standards. ACCA also collaborated with CFO Research Services on an ambitious research project, based on the views of nearly 800 CFOs in the US, Europe, China and South East Asia. The resulting reports revealed solid support for international reporting standards.

Research and opinion on emerging issues in the field from ACCA's technical experts and other industry commentators may be found at www.accaglobal.com/global_standards.

ARE GLOBAL FINANCIAL STANDARDS GOOD FOR YOUR COMPANY?

70%

Yes, global financial standards are good, or will be good, for our company

67%

Respondents who think the main current purpose of financial standards is reporting and compliance

60%

Respondents who believe reporting should be principally a communication tool or aid to investment decision making

Business life in 2008 was dominated by the unfolding global financial situation.

ACCA was a prominent commentator on the root causes of the credit crisis which foreshadowed this. ACCA's policy paper – *Climbing out of the Credit Crunch* – was launched in October and argued that a primary cause of the credit crunch was poor corporate governance and risk management in the banking sector, a theme echoed by commentators and policy-makers around the world.

The paper was promoted at UK party political conferences, and gained widespread media coverage, leading to considerable profile with governments, business and media stakeholders across the world. ACCA's leadership role in addressing the situation was widely recognised, not least in ACCA's president being asked to present views on the banking crisis to the leaders of the global accountancy profession at the International Federation of Accountants (IFAC) Council meeting in November.

ACCA collaborated with partners such as the Securities & Investment Institute and the Global Association of Risk Professionals on events exploring the crisis and participated in economic summits organised by the Scottish Parliament and the Welsh Assembly in the UK.

SMALL BUSINESS CHAMPIONS

In a wider context, ACCA leads the way in supporting small businesses and their advisors around the world by promoting their value to the economy, investing in targeted services and lobbying on policy issues of particular relevance to this important sector. Additional priority has been given to the needs of small business in 2008 in response to the economic crisis.

In 2008, ACCA collaborated with small business associations in Jamaica, Singapore, Trinidad and Tobago, and Zambia. In Malaysia, a conference on the globalisation of SMEs attracted over 300 participants.

A range of new ACCA initiatives were developed over the year. In the UK, an SMP microsite was created as a one-stop shop for small practitioners, receiving some 20,000 visits in the first few weeks after its launch. In Mauritius, a new SME/SMP sub-committee was established. New publications launched included an English/Urdu guide to bookkeeping and taxation for SMEs in Pakistan and an easy guide to Malaysian tax, developed in partnership with Baker Tilly.

Towards the end of the year, the European Parliament and European Council held several key debates on issues relating to SMEs, specifically removing the obligation for micro entities to submit accounts. ACCA monitored developments closely and was a leading voice in representing the interests of the small business sector at each stage of the debate, dealing directly with MEPs, Commission officials and co-ordinating responses with the pan-European profession.

www.accaglobal.com/economy



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1. An ACCA-branded tram in Hong Kong SAR
2. David Wu, ACCA's first member in mainland China
3. The Vice Finance Minister of China, Wang Jun, with the ACCA President and Helen Brand, Chief Executive
4. Professor Tang Yunwei, ACCA honorary member
5. The Senior Executive Vice President of ICBC, Li Xiaopeng, and the ACCA President
6. Celebrating 20 years in China and committing to future partnership

CHINA

20



4.



6.



5.

PARTNERS IN PROGRESS – 20 YEARS OF COMMITMENT IN CHINA

In 2008, ACCA celebrated two decades of the modern accountancy profession in China. To mark this milestone and highlight ACCA's significant contribution to the profession's progress, ACCA's Council held its September meeting in Beijing.

A series of high-profile events was organised around the Council meeting, honouring leading figures in the profession and business community who have been prominent in the advancement of the profession over the past two decades. This included an awards ceremony celebrating the contributions of members, employers and other partners in Beijing, a sustainability forum in Shanghai, a financial reporting seminar in Hong Kong and a seminar on global standards in Guangzhou.

The celebration culminated in a gala dinner, held at the prestigious Diaoyutai State House, attended by China's Vice Finance Minister, representatives from the Ministry of Finance, the

Chinese Institute of Certified Public Accountants (CICPA) and the National Audit Office of China (CNAO), and senior accountants from leading organisations, many of them ACCA members. As part of the programme, a strategic partnership was signed with the Industrial and Commercial Bank of China, the largest commercial bank in the country. ACCA also commended CICPA on its own 20th anniversary in 2008.

The ACCA president stressed the importance of China to ACCA's continuing global development and relevance. 'We celebrate 20 years of the modern accountancy profession in China. Fuelled by astonishing economic growth, China's accountancy profession has enjoyed tremendous development and progress over the past two decades. ACCA has been fortunate indeed in being able to play a part in supporting this progress, through its long-term relationship with national government and many organisations. We owe our success in this wonderful country to the openness and enthusiasm of our partners.'

www.accaglobal.com/china20

ENSURING ACCA IS FIT FOR THE CUSTOMER



As ACCA continues to grow, it is important that its operations are optimised to meet the needs of employers and an increasing number of members, students and other stakeholders.

Following her appointment as chief executive in September, Helen Brand commenced a wide-ranging programme of work to ensure that ACCA has the right infrastructure and skills base to operate in a complex and demanding global business environment. A focus for the programme is making ACCA work for the customer, building processes and operations around their needs.

As part of this exercise, ACCA has commenced a thorough review of the student and member customer experience, from initial enquiry through to examination registration, to post-membership support.

Helen Brand says: 'My first priority is to ensure that ACCA is fit for the future, with capacity to respond to market conditions and the changing needs of the profession, capable of delivering a service which consistently meets our customers' high expectations. This includes ensuring ACCA offers value as a global organisation and puts the needs of employers at the heart of its strategy. By meeting the needs of employers, we are able to enhance the employability and career prospects of our members, and ultimately drive higher value for the global membership.'



1. Speakers at ACCA's 4th annual Welsh Health Conference
2. A meeting of ACCA members who are representatives on IFAC's boards and committees
3. ACCA Pakistan receives a brand of the year award from the Prime Minister of Pakistan

EXTENDING THE GLOBAL NETWORK



ACCA continues to excel in developing a formal network of partnerships which add value to its members by bringing local recognition, expanded services and enhanced employment opportunities. Through collaboration, ACCA is able to deliver on its promise to offer opportunity around the world to people of talent and application.

In 2008, ACCA further extended its global reach by:

- 1 renewing 11 of its 18 Joint Examination Schemes – in Barbados, Botswana, Cambodia, Guyana (which was also expanded to include the CAT qualification), Jamaica, Lesotho, Malawi, Sierra Leone, Swaziland, Vietnam and Zambia
- 2 formalising CPD partnerships in Botswana, Moldova and Zambia
- 3 continuing to grow the number of organisations it partners with to carry out practice monitoring reviews under contract. In 2008, new agreements were signed in Barbados, Guyana, Lesotho, Malawi, Trinidad and Tobago, and

Zambia – in addition to existing arrangements in Botswana, Cyprus, and Kenya. Audit quality assurance reviews were also carried out by ACCA on behalf of the Dubai Financial Services Authority

4 investing in its own infrastructure, opening new offices in China (Chengdu and Shenzhen) and Malawi in 2008, and strengthening its operations in South Africa.

Of central importance, ACCA continues to foster close relationships with employers of professional accountants. In 2008, professional skills courses were delivered to leading employers around the world including Barclays plc, BDO Stoy Hayward, China Mobile Limited, Deloitte Touche Tohmatsu, GE, HSBC and Standard Chartered. In the UK, ACCA's graduate partners scheme demonstrated continuing success with the addition to the programme of Heinz, Co-op Financial Services, RBS, Scottish Widows and Shell. In addition, ACCA's highly-regarded human capital forums provided learning and development insights to employers across 20 countries.

To read more about ACCA's
performance in 2008, please visit
www.accaglobal.com/annualreview

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