



Annual integrated report

and **financial
statements**

For the year ended 31 March 2024

Think Ahead

Contents

Jump to:

1	About ACCA and this report	3
2	Our 2023-24 highlights	6
3	Leadership messages	9
4	ACCA's strategy and 2023-24 performance	14
5	Value creation model	27
6	The global context, stakeholder engagement and materiality	29
7	Delivering on sustainability	37
8	Risks and their management	43
9	Governance, leadership and people	47
10	The new ACCA strategy, measures and targets	58
11	Financial statements	61

1 About ACCA
and this report

2 Our 2023-24
highlights

3 Leadership
messages

4 ACCA's strategy
and 2023-24
performance

5 Value creation
model

6 The global context,
stakeholders
and materiality

7 Delivering on
sustainability

8 Risks and their
management

9 Governance,
leadership
and people

10 The new ACCA
strategy, measures
and targets

11 Financial
statements

1

About ACCA and this report

About ACCA



About this report



Jump to:

1 About ACCA
and this report

2 Our 2023-24
highlights

3 Leadership
messages

4 ACCA's strategy
and 2023-24
performance

5 Value creation
model

6 The global context,
stakeholders
and materiality

7 Delivering on
sustainability

8 Risks and their
management

9 Governance,
leadership
and people

10 The new ACCA
strategy, measures
and targets

11 Financial
statements

1 About ACCA and this report

About ACCA

We are ACCA (the Association of Chartered Certified Accountants), a globally recognised professional accountancy body providing qualifications and advancing standards in accountancy worldwide.

Founded in 1904 to widen access to the accountancy profession, we've long championed inclusion and today proudly support a diverse community of over **252,500** members and **526,000** future members in **180** countries.

Our forward-looking qualifications, continuous learning and insights are respected and valued by employers in every sector. They equip individuals with the business and finance expertise and ethical judgment to create, protect and report the sustainable value delivered by organisations and economies.

Guided by our purpose and values, our ambition is to **lead the accountancy profession for a changed world**. Partnering with policymakers, standard setters, the donor community, educators and other accountancy bodies, we're strengthening and building a profession that drives a sustainable future for all.



Our purpose

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

Our values



Inclusion

We create opportunity for all. We remove artificial barriers, create connections and embrace diversity.



Integrity

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



Innovation

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

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

About this report

This report is designed to give anyone whose success depends on ACCA – especially our members, future members, education providers and employers – insight into the strategic thinking that drives ACCA forward, encompassing our strategy, governance, performance and prospects in the context of our global environment.

This is our thirteenth annual integrated report prepared in accordance with the International <IR> Framework. As a strong supporter of the global sustainability reporting standards by the International Sustainability Standards Board (ISSB), we've drawn on the standards as guidance in our reporting and we're committed to adopting the ISSB standards in our future annual integrated reports.

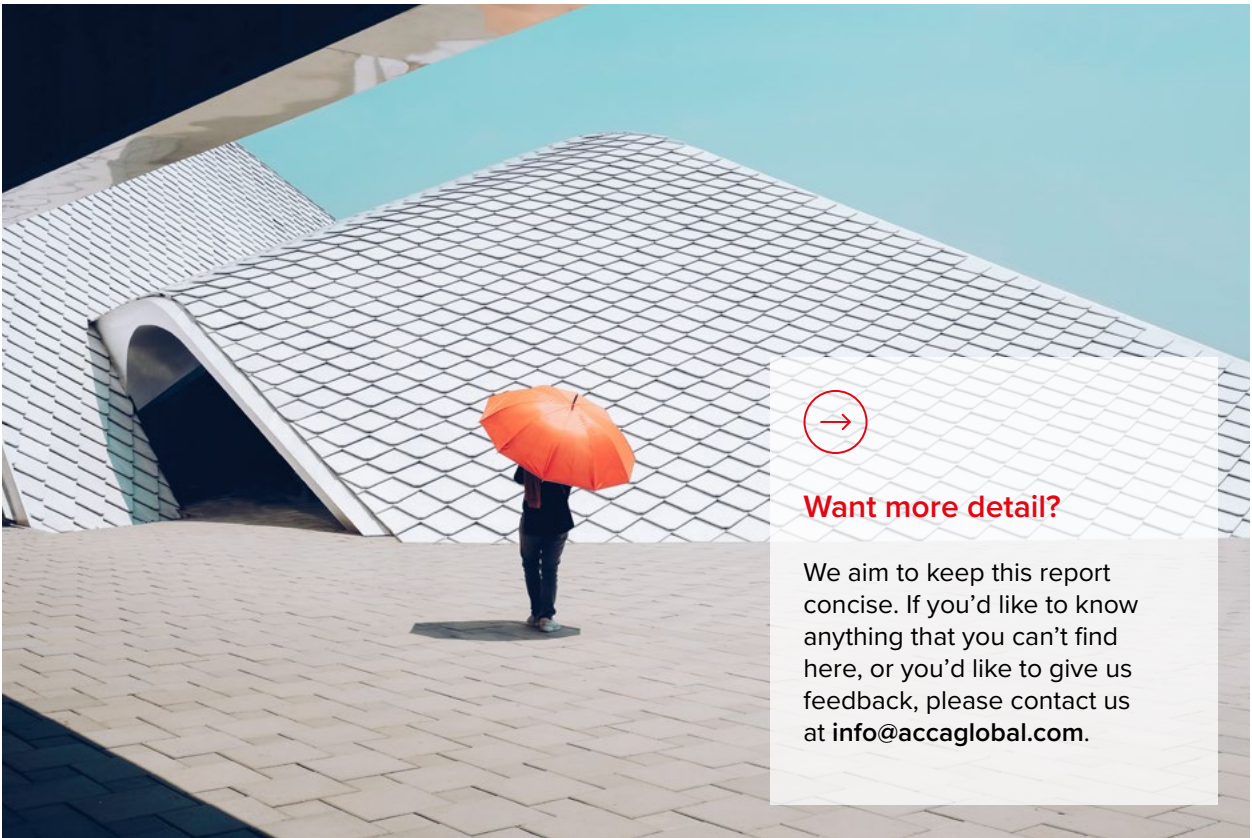
Oversight and responsibility

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

External assurance

Our external auditor has assured our detailed consolidated financial statements. We have also received separate external assurance on the strategic performance results across ACCA's balanced scorecard.

Read the **Financial statements** →



Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

2

Our 2023-24 highlights

Highlights



Industry awards



Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

2 Our 2023-24 highlights

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements



250,000+

ACCA members in 180 countries



12,569

new members



+51.5

employer Net Promoter Score



99,586

students recruited in the year



584,838

exam entries



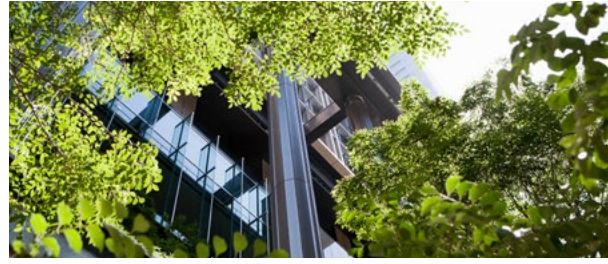
33,000

record-breaking attendance at our flagship annual virtual conference, *Accounting for the future*



Delivering on sustainability

through our *Accounting for a better world initiative*, policy and insights work, qualification and learning developments, and our presence at COP28



Net zero targets verified

by the Science Based Targets Initiative (SBTi) – making ACCA the first global professional accountancy body to achieve this



Audit recognition

achieved in South Africa and Ukraine, opening up new pathways to registered auditor status for ACCA members alongside existing audit recognition in the UK, Ireland and Zimbabwe



ACCA Study Hub

now provides premium study materials and learning resources for students and tutors across the world

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

Industry awards

Professional body of the year
International Accounting Forum and Awards 2023

Resource of the year
for the *Professional accountants – the future* insights series, including *Global talent trends survey 2023*
GENCFO Digital Finance Function Awards 2023

Best long-standing association event
for *Accounting for the future*
Association Excellence Awards 2023

Best online publication
for *ACCA Careers*
National Online Recruitment Awards 2023

Study resource of the year
for *My Exam Performance*
PQ Magazine Awards 2023

Best hiring fair
for our EU virtual careers fair
Eventeer Awards 2024

Communications campaign of the year
for *Accounting for a better world*
International Accounting Forum and Awards 2023

3

Leadership messages

President's message



Chief executive's strategic report



Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

3 Leadership messages

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements



President's message

It's been a year of enormous pride for ACCA members.

First, we reached a quarter of a million members in the year of our 120th anniversary. The number is significant in itself. But we also saw members using their influence to make a greater impact in the world.

I attend events all over the globe – primarily virtual in today's connected world – and at every one I am inspired by members' dedication in building the accountancy profession the world needs and in serving the public good.

That dedication is reinforced by our *Accounting for a better world* agenda. It unites us behind actions and aspirations to advance the cause of sustainable business, and to open up more opportunities for more people to pursue a world-class education and a rewarding profession.

It's also been a year when we raised our gaze to the horizon and developed the new ACCA strategy.

I'm proud and excited by our bold new strategic ambition to lead the accountancy profession for a changed world. And within that ambition, one strategic outcome resonates with me, and that is our desire to redefine the accountant.

As we undertake this important work there's never been a better time to recommend the accountancy profession as a brilliant, rewarding and stimulating career choice. Rapidly evolving technology is already freeing accountants up to deliver greater value – to lead in a world where we need the intuition, insight and experience of professional accountants, so that the human element remains at the heart of decision-making. These are the qualities we promote through all our education, learning and upskilling opportunities for the ACCA community.

And in doing so, we are also committed, as ever, to breaking down barriers to the profession: the global roll-out of the *ACCA Study Hub* is a shining example of this.

My wish is that we all continue to share with great pride that we're professional accountants, be it ACCA or FCCA, or progressing on the path to becoming one – and promote the value the profession offers the world at every opportunity.

Finally, I would like to thank members everywhere in the world for everything you have done and everything I know you will do in the future to promote ACCA and accountancy. Your actions fill me with a deep sense of pride that we are members of the world's greatest professional accountancy body.

Ronnie Patton FCCA



Chief executive's strategic report

ACCA's strategy to 2025 ran from April 2020 through to the end of March 2024 and represented considerable progress for ACCA against an unprecedented global backdrop. While I cannot do justice to everything ACCA and its community has achieved in the last four years, I wanted to share a selection of reflections on this period and how we'll move forward from this point with ambition and purpose.

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

Performance during the strategy to 2025

Areas of strong performance

- In the past four years our membership has grown by over 25,000 to over a quarter of a million members, a hugely substantial contribution to the overall number of professional accountants worldwide.
- Throughout the strategy to 2025, members and future members' perceptions that ACCA shapes the future of the profession and promotes the highest professional and ethical standards have remained above 80%.
- Our employer net promoter score (NPS) has been consistently high throughout the last four years and is now at +51.5, clearly indicating ACCA's strong position within the global marketplace.

Strategic performance challenges

- Four years ago, we had around 544,000 future members and today, 526,000. This demonstrates the impact of the pandemic and the economic and geopolitical environment. Last year, however, we welcomed just under 100,000 future members – our strongest recruitment year since 2019-20.
- Fewer students entering exams has been our most significant performance challenge in the last four years, although we've kept delivering a substantial number of exams to very high standards. Exam entries in 2023-24 were 32,000 higher than the previous year, although we're not yet back to our pre-pandemic levels.
- Despite best efforts, we have experienced overall declines in member and future member satisfaction. We're taking this as a clear call to action: we want every single member of our global community to value their relationship with ACCA.

Leading with our values in response to unprecedented challenge

ACCA's response to the Covid-19 pandemic was to rapidly roll out support for members and future members who were facing unprecedented circumstances. We rolled out online exams with remote invigilation at considerable pace, and rapidly expanded our online webinars, events and conferences. We also accelerated the delivery of Windows 10 and M365 to enable ACCA employees everywhere to keep serving the ACCA community regardless of location, with better digital tools to collaborate and deliver.

So many members of the global ACCA community have faced intense geopolitical and economic challenges in the past four years. In response to the Russian invasion of Ukraine, as one example, we delivered a broad range of support for impacted members and future members, also taking the difficult decision to cease operating on the ground in Russia.

Throughout this and other crises, ACCA has drawn on values-based principles to ensure we always act with maximum integrity. For those facing severe economic challenges, we have also deployed a range of pricing support and in recent years we have significantly raised the salary level for members in need of a reduced subscription rate.

Reinforcing the relevance of the profession and driving demand for ACCA members

Against a backdrop of extraordinary global volatility, ACCA continued to innovate and champion the profession's value. We have been instrumental in delivering change for public good through our *Accounting for a better world* initiative and related policy activity, insights and learning resources.

The ACCA *Learning* portfolio, ACCA *Careers* resources and regional virtual careers fairs have all played their part in enabling members' and future members' career success. And ACCA's annual *Global talent trends* survey is arguably the most comprehensive study of the profession in relation to the world of work, enabling us to respond to rapidly changing trends and embed ACCA's position as the global first choice for employers.

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements



Investing in ACCA's future

Our digital transformation has been a key investment during the strategy to 2025. As with so many other organisations, our progress with this has not been linear. We are now in a strong position to complete this multi-year programme of work. We also delivered a number of major milestones during the strategy to 2025.

- We deployed funds to ensure compliance with local and global legislation and regulatory requirements to protect the security and integrity of our data.
- We introduced a new global marketing platform and new finance capabilities to better serve our members and make it easier for others to do business with ACCA.
- We made significant changes to ACCA as an organisation with more globally distributed teams delivering greater value, a reduction in our property footprint and substantial operational efficiencies.

Driving student success

In the last four years, we've leveraged the ACCA *Study Hub*, computer based exams (CBE) practice platform and *My Exam Performance* to drive improvements in student exam pass rates. The hard work has paid off: last year we met a challenging strategic target for the percentage of students passing an exam in the year.

ACCA's impact on the world stage

ACCA has worked constructively and successfully with standard setters and regulators across the world to reinforce the value of the global profession and positively influence decision-making.

We are proud to support the new IFRS sustainability standards, although there's much more to do as we prepare the global profession to truly claim the sustainability space. And in 2023-24, ACCA became the first global professional body to have our net zero targets validated by the Science Based Targets initiative.

All our relationship-building activity – be it with national and regional decision makers, standard setters, employers, educators, and strategic partnerships and alliances – is designed to extend the positive impact and influence ACCA and its members can make. And there are plenty of proof points of the value ACCA and its community can offer to multiple markets: as just one example, last year ACCA achieved audit recognition in South Africa and Ukraine.

'What has been so compelling about the strategy to 2025 is that everything we delivered during this period has ultimately been done to progress ACCA's purpose in line with our values and serve the ACCA community to the best of our ability. For all these reasons, and many more, I firmly believe that we delivered our vision to 2025, which was to be #1 in developing the accountancy profession the world needs.'

Looking ahead to 2024-25

The new ACCA strategy is filled with ambition. And our strategic focus for 2024-25, *Being bold: seizing opportunity for the future* reflects the bold steps we'll be taking in the next year to lead the accountancy profession for a changed world.

In the year ahead, we'll drive success for the ACCA community by anticipating and responding to the external environment to unlock opportunity across the global marketplace. We'll also make the essential preparations for an exciting, successful and sustainable future. At the heart of this is the delivery of our digital transformation, which has the potential to super-charge our wider ambitions and deliver value to the marketplace with greater speed and impact than ever before.

As we enter the new strategy, we're intentionally elevating and celebrating the bold mindset that has fuelled ACCA's success so far. There's so much we can be confident about as we lead the profession forward together, and I can't wait to see what the ACCA community achieves in the year ahead.



Helen Brand OBE
Chief executive

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 **Leadership messages**
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

4

ACCA's strategy and 2023-24 performance

ACCA's strategy to 2025



Strategic performance in 2023-24



Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 **ACCA's strategy and 2023-24 performance**

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

4 ACCA's strategy and 2023-24 performance

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

ACCA's strategy to 2025

ACCA's strategy to 2025 set out how we would secure a vibrant future for ACCA by fulfilling our purpose, remaining true to our values and realising our vision.

Strategic outcomes

Lead

Our proud connected community delivers change for public good.
To deliver this strategic outcome, our ambitions focused on two key elements: **business and society** and **community**.

Create

Our unique knowledge enables us to shape the future and create long-term value.
To deliver this strategic outcome, our ambitions focused on two key elements: **knowledge** and **value**.



An underpinning *Deliver* outcome set out the operational capabilities we focused on to deliver the *Lead* and *Create* strategic outcomes. The Executive Board oversaw progress against our *Deliver* capabilities (partners, talent and digital). These were not linked to executive remuneration.

ACCA's Council agreed a new strategy for ACCA, effective from the start of April 2024. This report, therefore, provides information about ACCA's performance and progress in the final year of our strategy to 2025. You can learn more about the [new ACCA strategy](#) later in this report.

Measuring performance

We assessed our progress in delivering the strategy to 2025 through a balanced scorecard approach. The strategic performance targets for each measure were set by the Council Board to track our progress in delivering our strategic outcomes. These targets were linked to executive remuneration.

Strategic performance in 2023-24

Our strategic focus in 2023-24

In 2023-24 our strategic focus was ***Being bold: creating and taking opportunity.*** Underpinning this were five key areas of strategic opportunity which we acted on in response to the global context and material matters for our stakeholders.

Lead	Create	Deliver
<ul style="list-style-type: none"> Building the attractiveness and relevance of the profession Targeting geographies, sectors and segments 	<ul style="list-style-type: none"> Driving student progression Strengthening our insights to drive performance 	<ul style="list-style-type: none"> Drawing on all our capabilities to deliver value

Strategic performance across the balanced scorecard

For the 2023-24 performance year, we met our strategic targets for two out of seven measures. These were *Vision*, which we measure through the number of members, and *Lead: business and society*, which we measure through our in-year financial performance.

In this section, we share more information highlighting areas of strong performance and challenges.

Outcome	Measure	EOY (target)	EOY (actual)	Result
Vision	Number of members	250,900	252,562	Achieved
Lead: brand trust (four elements to be met)	Inclusion: % agree that ACCA acts with members' / future members' best interests at heart	68.5%	63.7%	Not met
	Integrity: % agree that ACCA promotes the highest professional and ethical standards	80%	85.5%	
	Innovation: % agree that ACCA shapes the accountancy profession	80%	80.4%	
	Member market share	22.1%	22.7%	
Lead: business and society	In-year financial performance (surplus/deficit before tax)	£(1.1)m deficit	£19.0m surplus	Achieved
Community	Net promoter score (NPS)	+32.0	+26.7	Not met
Create	Number of future members	527,000	526,106	Not met
Knowledge	% agree that ACCA understand my needs as a member / future member	62%	57.1%	Not met
Value: progression (three elements to be met)	Number of exam entries	665,600	584,838	Not met
	% of students passing an exam in the year	27.9%	28.4%	
	% affiliate to member conversion in four years	66%	64.9%	

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

Vision

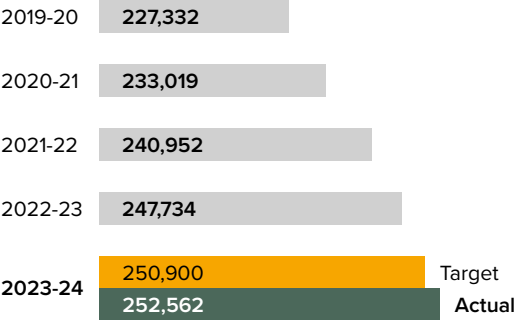
Strategic measure: Number of members

Why we use this measure:

Our members are central to our vision. A growing membership strengthens our ability to deliver what the world needs.

Five-year performance

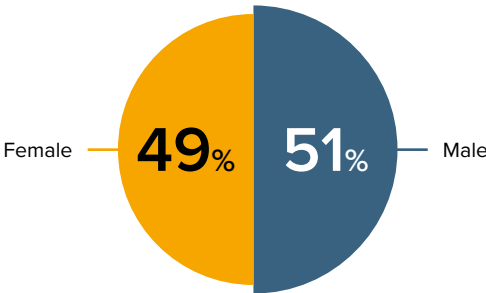
Number of members



In 2023-24 we grew our member numbers to **252,562** in the year, exceeding our ambitions. We've now passed the landmark milestone of a quarter of a million members worldwide.

Our strong performance signals the continuing value of the ACCA designation to our existing members and the commitment of our future members coming through to membership.

The gender profile of our members is:



How we'll move forward In the year ahead, we'll:

- build member pride, celebrating a quarter of a million members and 120 years of ACCA
- continue to offer relevant insights, upskilling and career opportunities that support members' careers and the value they deliver
- build ACCA's global influence and champion the value of the profession
- deliver our digital transformation to enhance how we serve ACCA members.

Both now and longer-term, we're placing ACCA members at the heart of the **new ACCA strategy**. We'll continue to target member growth as well as member satisfaction with ACCA.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 **ACCA's strategy and 2023-24 performance**
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

Lead

Strategic measure: Brand trust

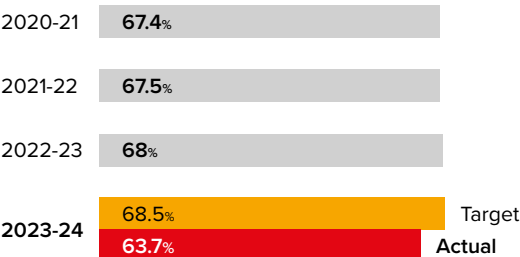
Why we use this measure:
Our ability to shape and lead the profession is dependent on trust in the ACCA brand.

Four elements must be met to achieve this target. While we exceeded our ambitions for the *Integrity* and *Innovation* perceptions and for market share, we did not meet our ambition for the *Inclusion* perceptions. As a result, we did not meet the overall target.

Inclusion

Four-year performance

% agree that ACCA acts with members' and future members' best interests at heart



Our overall performance was **63.7%**, falling short of our target. Member perceptions ended the year at **67.2%**, affiliates at **50.7%** and students at **61.1%**.

Integrity

Four-year performance

% agree that ACCA promotes the highest professional and ethical standards

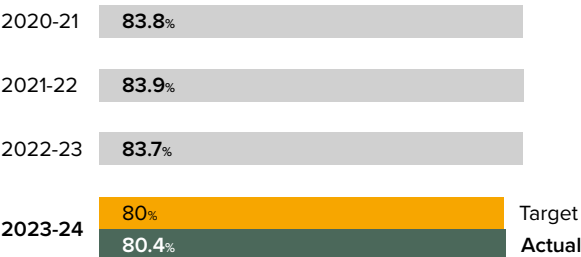


Our overall performance was **85.5%**, exceeding the target. Member perceptions ended the year at **85.3%**, affiliates at **84.3%** and students at **85.8%**. We have maintained a strong overall score of **80%+** throughout the strategy to 2025.

Innovation

Four-year performance

% agree that ACCA shapes the accountancy profession

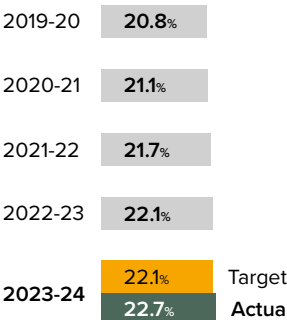


Our overall performance was **80.4%**, exceeding the target. Member perceptions ended the year at **77.6%**, affiliates at **78.4%** and students at **83.6%**. We have maintained a strong overall score of **80%+** throughout the strategy to 2025.

Market share

Five-year performance

Member market share



We measure our member market share against the memberships of AICPA, CIMA, CPA Australia and ICAEW, using the results published in their annual reports. We ended the year at **22.7%**, exceeding our target. Our market share growth reflects ACCA's stronger than expected member growth alongside varied performance by other professional bodies.

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

Perception metrics across the balanced scorecard

We collect relationship data by targeting one-twelfth of our members and future members each month, enabling us to see long-term trends clearly. Our reporting is based on 12 months of rolling data to provide the moving annual total. As this sampling method was introduced in 2020-21, we can only provide four rather than five years of data.

In 2023-24, we experienced declines in member and future member perceptions across all five metrics on the balanced scorecard. A notable exception is employer NPS, which rose in the year by **0.6** points to **+51.5**.

Our analysis indicates the challenging external environment is impacting member and future member satisfaction levels. We also recognise the importance of ensuring members and future members recognise the value of a continuing relationship with ACCA.

How we'll move forward

In the year ahead, we plan to address member and future member perceptions while maintaining an excellent level of employer satisfaction.

To achieve this, we will:

- build ACCA's global influence and champion the profession through our *Accounting for a better world* initiative
- nurture our strong relationships with employers, ensuring ACCA is their global partner of choice
- build member pride, celebrating a quarter of a million members and 120 years of ACCA
- strengthen our *ACCA Learning* portfolio to create more upskilling opportunities, with a particular focus on sustainability and technology
- continue to strengthen our sector-specific and careers support
- drive uptake of our education support innovations, which drive student exam success
- make enhancements across our customer journeys to deliver the best possible experience to the ACCA community.

In the longer term, the delivery of our digital transformation will enable us to build a deeper understanding of the ACCA community and respond swiftly to their needs.

To drive greater clarity and focus, we'll move to one overall stakeholder satisfaction measure as part of the new ACCA strategy. We'll keep drawing on extensive analysis to respond to the key drivers of satisfaction across every part of the ACCA community.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance**
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements



The ACCA China team connects members and future members with employers at the ACCA Career Day in Wuhan, China.

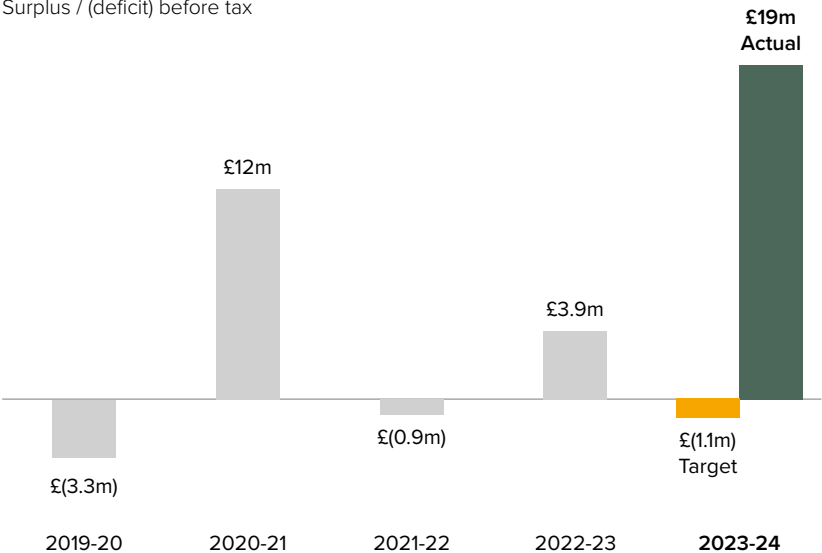
Lead: Business and society

Strategic measure: In-year financial performance

Why we use this measure: By ensuring ACCA's financial sustainability, we'll be able to deliver long-term value to business and society.

Five-year performance

Surplus / (deficit) before tax



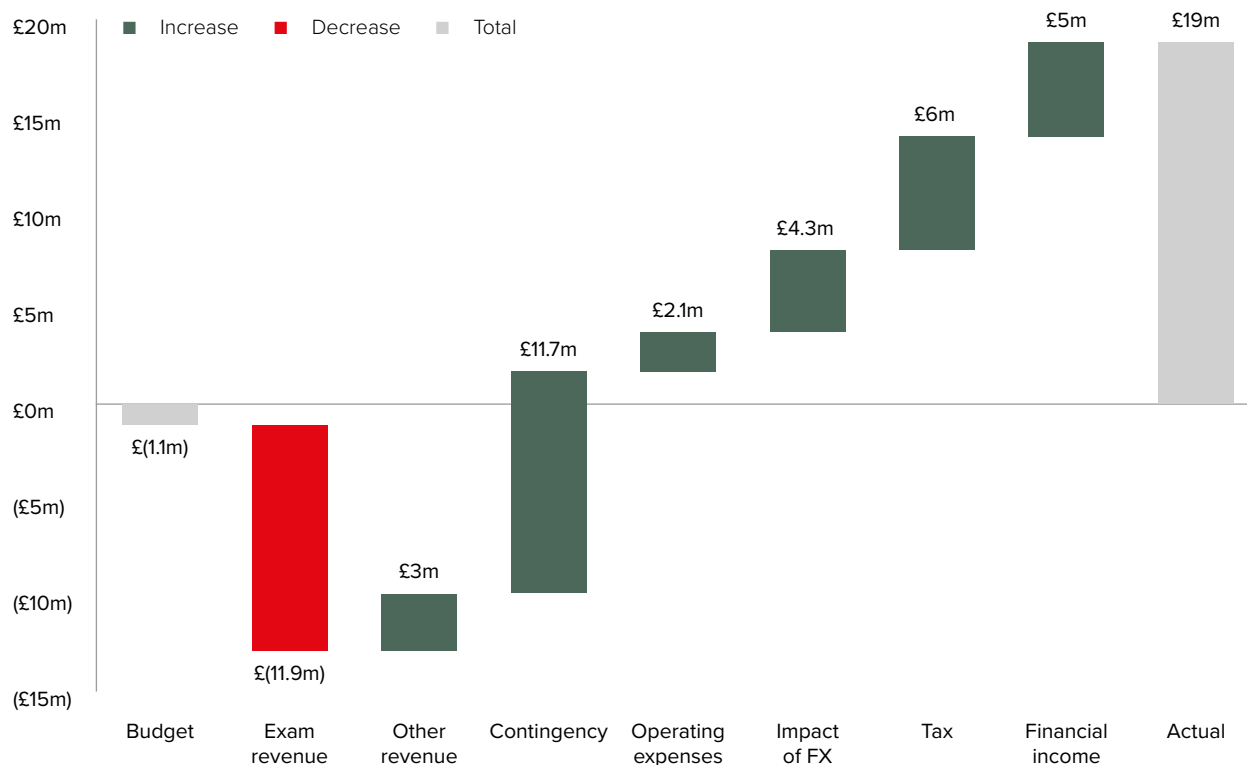
We significantly exceeded our target for in-year financial performance, achieving a £19m surplus before tax against our budgeted deficit of £(1.1)m.

- Our financial performance for the year was driven in part by strong management of our revenue expectations and our operating costs in a volatile operating environment. We benefited significantly in the year from ongoing savings driven by ACCA's multi-year strategic efficiency review, a successful operating challenge, and also underspends in both our departmental and strategic investment budgets.
- We also benefited from a series of uncontrollable one-off factors: movements in relation to foreign exchange, gains in ACCA's financial investment portfolio, and the resolution of an outstanding tax matter, all of which contributed to our overall result.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 **ACCA's strategy and 2023-24 performance**
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

Surplus / (deficit) before tax



Exam revenue continued to grow, with exam entries up 32,000 on the prior year, but this remained behind our budget assumptions. The rate of recovery was challenging to predict, so we set aside a significant amount of contingency to accommodate this. With other revenue lines performing well, due to ACCA's focus on creating and taking opportunity, and operating costs also well controlled, the overall impact was managed within budget.

The relative strengthening of the UK's GBP against many other currencies also supported our year-end position, as did the provision we made for additional indirect tax costs that did not arise due to positive rulings for ACCA in respect of UK and international tax exposures. Finally, our long-term financial investments grew in value during the year. All of these factors contributed to our strong year-end position.

You can find more detailed information in our consolidated financial statements.

Read the **Financial statements** [→](#)

How we'll move forward

As part of the **new ACCA strategy**, we'll include in-year financial performance as one of our three sustainability measures on the new balanced scorecard. Our targeted operating surplus/deficit will indicate whether ACCA has generated the income expected and managed efficiencies within the budgets set.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance**
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

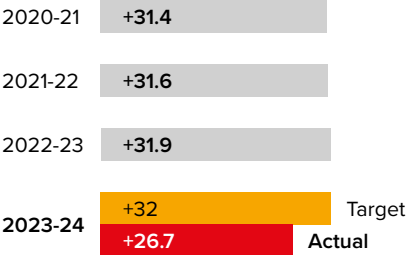
Lead: Community

Strategic measure: Net promoter score (NPS)

Why we use this measure: We want to make sure our community sees continued value in an ongoing relationship with ACCA. NPS is widely used across multiple industries as an effective way to measure the likelihood of recommending an organisation.

Four-year performance

Net Promoter Score



We ended the year with an overall NPS of **+26.7**, falling short of our target. Member NPS was **+29.9**, with affiliates at **+10.3** and students at **+11.2**. As set out earlier in this report, we'll take action to respond to declining member and future member perceptions in the year ahead.

Employer NPS rose to **+51.5**, a year-on-year improvement of **0.6** points, with overall employer satisfaction remaining over **80%** throughout the strategy to 2025.



93%

In 2023-24, **93%** of the 1,400 global employers responding to our survey agreed that the ACCA Qualification provides relevant skills for their organisation.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance**
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

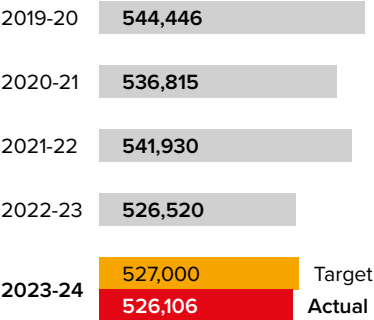
Create

Strategic measure: Number of future members

Why we use this measure: The number of future members¹ indicates ACCA's continuing attractiveness and relevance to business and society.

Five-year performance

Number of future members



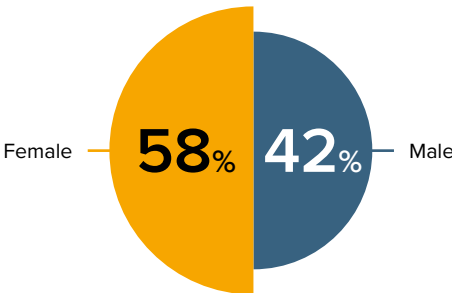
Our end of year result was **526,106** future members, falling short of our target. Student recruitment and future member retention are the primary contributors to this overall measure, alongside progression to membership, which was stronger than planned.

In 2023-24, we attracted 99,586 new students to ACCA. While this fell short of our ambition, it represents our strongest recruitment year since 2019-20.

99,586

In 2023-24, we attracted **99,586** new students to ACCA

The gender profile of future members is:



How we'll move forward In the year ahead, we'll:

- draw on our strong relationships with employers and education partners to attract new entrants to ACCA
- continue to communicate just how rewarding a career in professional accountancy can be
- engage students and tutors with our education support innovations (including the *ACCA Study Hub*, CBE practice platform and *My exam performance*) to drive student success and retention.

We recognise there are profession-wide concerns about attracting new entrants to the profession. In the **new ACCA strategy** we'll continue to target future member growth as a strategic measure, so we have a clear gauge of the attractiveness and relevance of the ACCA brand.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 **ACCA's strategy and 2023-24 performance**
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

¹ ACCA defines future members as students and affiliates (who have completed their exams but not yet met all the requirements for ACCA membership).

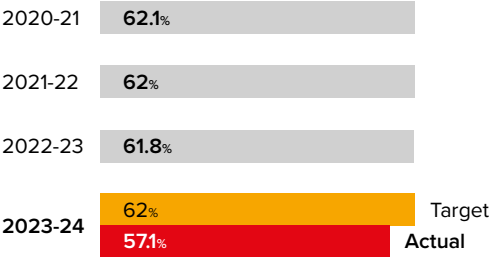
Create: Knowledge

Strategic measure: % agree that ACCA understands my needs as a member / future member

Why we use this measure: Understanding the needs of our community enables us to think ahead and create relevant solutions.

Four-year performance

% agree that ACCA understands my needs as a member / future member



We ended the year with **57.1%**, falling short of our target. Member perceptions ended the year at **56.3%**, affiliates at **44.4%** and students at **59.2%**. As set out earlier in this report, we will take action to respond to declining member and future member perceptions in the year ahead.



In the longer term, we're innovating in learning and assessment to ensure the future ACCA Qualification is ideally shaped to meet the demands of a changed world.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

Create: Value

Strategic measure: Progression

Why we use this measure:

The successful progress of future generations to membership remains key to our long-term sustainability, and the value ACCA members deliver to business and society in the future.

For *Create: Value*, there are three progression elements to be met to achieve the overall target. Although we exceeded our ambitions for the percentage of students passing an exam in the year, we did not meet our ambitions for exam entry and affiliate to member conversion within four years. As a result, we did not meet the overall target.

Exam entries

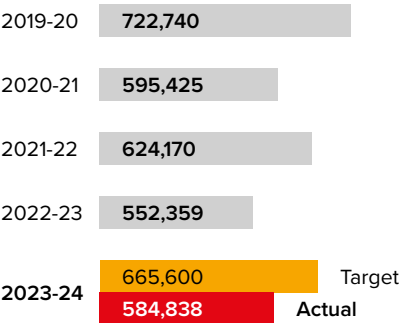
Despite achieving **584,838** exam entries globally, we ended the year **80,762** behind target. However, this represents **32,479** more exam entries than in 2022-23.

Percentage of students passing in a year

28.4% of students passed an exam in the year, **0.5%** ahead of our ambition.

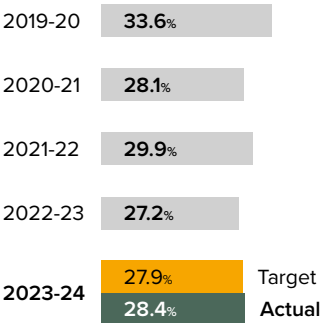
Five-year performance

Exam entries



Five-year performance

% of students passing in a year²

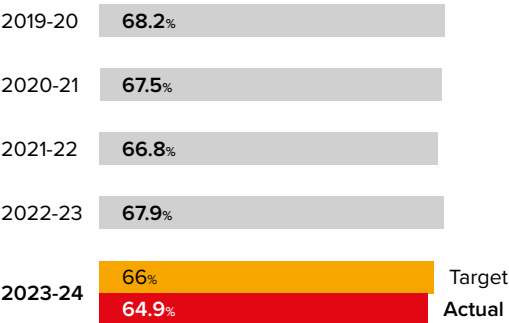


Percentage of affiliates achieving membership within four years

We ended the year at **64.9%**, **1.1%** behind our ambition.

Five-year performance

% of affiliates achieving membership within four years



Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

² In 2022-23 the Council Board agreed a change to how we calculate performance for the % of students passing an exam in the year. To offer a like-for-like comparison with previous years, we have provided adjusted performance figures for the three years prior to 2022-23.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 **ACCA's strategy and 2023-24 performance**
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

How we'll move forward

In the year ahead we will continue to build uptake of our recent education support innovations, in particular the *ACCA Study Hub*, the CBE practice platform and *My Exam Performance*, as we now have the proof points ([see the materiality section](#)) that using these products leads to a greater likelihood of student exam success.

In the longer term, we're innovating in learning and assessment to ensure the future ACCA Qualification is ideally shaped to meet the demands of a changed world.

In the [new ACCA strategy](#), we are introducing a new strategic measure focused on the number of learners acquiring new skills through ACCA. A highly relevant portfolio of learning products will be key to enabling ACCA's learning community to acquire the relevant skills to progress their careers and enhance their employability.

As ever, we want to give every ACCA student the opportunity to enjoy exam success and achieve their ambitions. Over time, this new measurement approach will also bring into focus how members are upskilling and how employers and others are benefiting from ACCA's learning products.

'The ACCA Study Hub played a massive role in achieving my 70% score on the English law paper. Its interactive features enhanced my learning experience, eased exam prep and really reduced the study stress.

Having all the resources in one place made a world of difference, and I've already recommended it to fellow students – it's a gem for effective, stress-free studying.'

Hadiqa Ahsan
ACCA student
Dubai, UAE



5

Value creation model

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

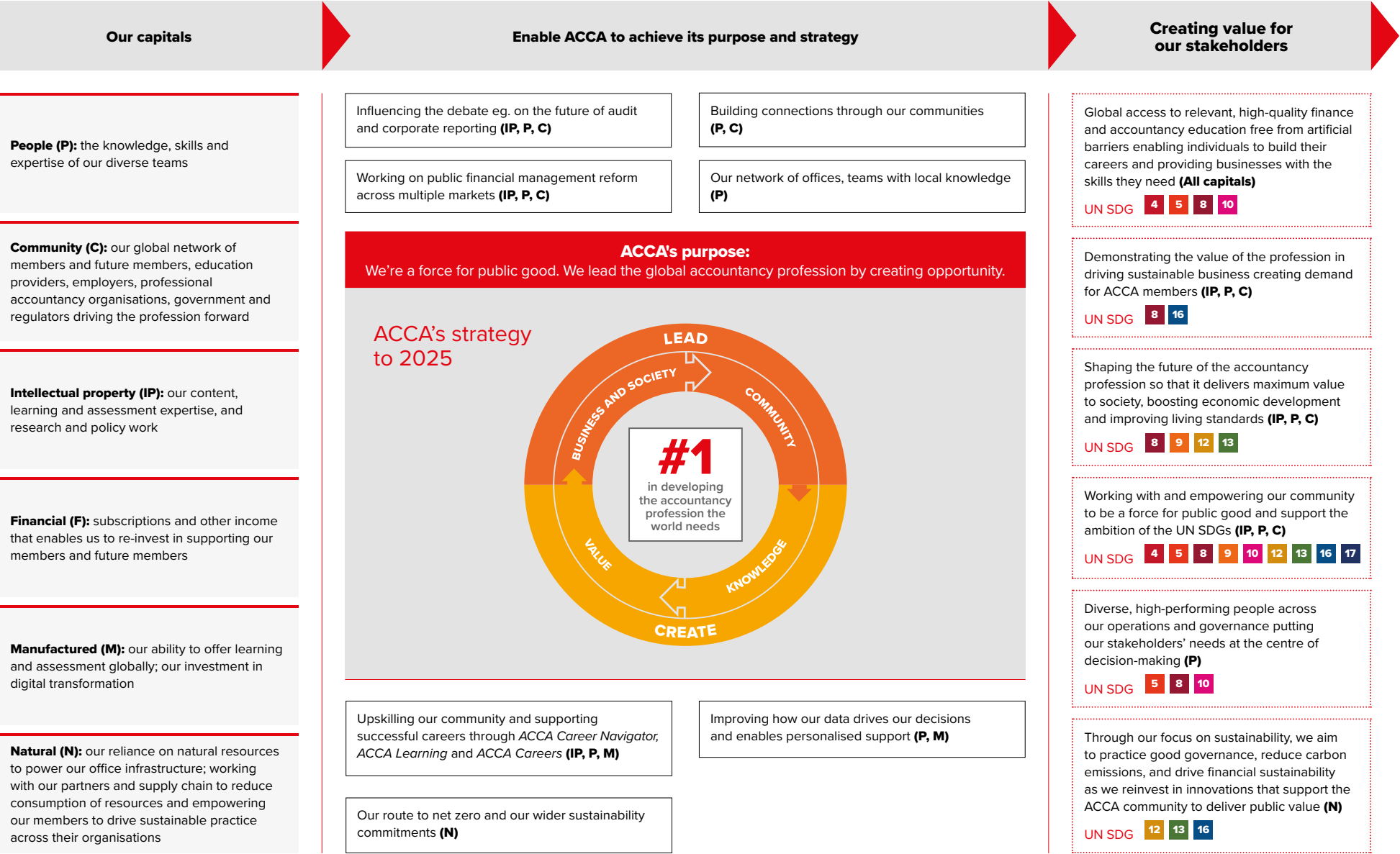
8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

5 Our value creation model to 2025



Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

6

The global context, stakeholder engagement and materiality

The global context



Stakeholder engagement and materiality



How we're addressing material matters by stakeholder group



Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

6 The global context, stakeholder engagement and materiality

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

The global context

Through extensive analysis of the external environment, ACCA has identified five overarching drivers of change that have the potential to transform our world and reshape the profession. All of these interact with each other and will continue to do so, creating significant impact on how the future may unfold.

1 Economy: continuing volatility across the global economy

The global economy continues to face systemic challenges including rising income inequality, unemployment, disruption from technology, trade tensions and global supply chain challenges. In the longer term, much will depend on the capacity of policy makers to generate sustainable growth, leverage technology, build green infrastructure and lower the cost of international trade. They will also need to manage demographic change and national debt levels. Organisations will also need to respond to this range of economic challenges, with professional accountants playing a key role.

2 Geopolitics: geopolitical tension and the potential for fragmentation

A series of geopolitical crises in recent years have created significant uncertainty and volatility, increasing the risk of accelerating geopolitical fragmentation and creating tensions between global and national interests. While the unstable environment is likely to increase the appeal of the accountancy profession, the increasing divergence in approaches and practices across borders are creating a highly complex regulatory environment for professional accountants and challenges to the global nature of the profession.

3 Environment: sustainability and climate change

The global response to the environmental crisis is transforming the economic, social, financial, technological, governance and political landscape. The ramifications from the climate crisis and increasing eco-system fragility are becoming clear. This, and wider sustainability concerns, is driving societal demands for a better and fairer world. Organisations, increasingly, must demonstrate their impact on the world and approach to net zero. As corporate reporting frameworks and legislative requirements change, professional accountants have a clear role to play in supporting organisations to create, measure and report on the sustainable value they deliver.

4 Society: shifting societal expectations and the stakeholder economy

Stakeholders are demanding greater accountability, transparency and inclusion than ever. Organisations are expected to provide social value and treat their employees, customers and other stakeholders well, as well as providing financial returns. New entrants to the workplace have clear views on wellbeing, ethical leadership and inclusion. These expectations, combined with digital working, are driving business model changes. Organisations that thrive in the future will be those that act in the best interests of the communities they serve.

5 Technology: rapid technological transformation and emergence of AI

Rapid technological developments are transforming global connectivity and the pace of data and information gathering. We are seeing organisations connect with their stakeholders in new ways, integrate their processes around customer journeys, and transform their operations for a 'digital first' economy. Innovation and transformation is also taking place in the education and learning space. In the future, we expect organisations to rapidly enhance their business intelligence and carry out routine work rapidly at a fraction of the previous cost. We also anticipate increased regulation: a key challenge, in which professional accountants can play a key role, will be to ensure technology is adopted ethically.

Stakeholder engagement and materiality

ACCA relies on and creates value for a wide network of stakeholders, and our success depends on the input and involvement of our stakeholders. We continually engage with our stakeholders as we seek to learn from them and meet their needs. We also draw on insights and analytics to understand the impact of the products and services we offer and inform how we can deliver greater value.

Our materiality assessment draws on a substantial set of inputs throughout the year. These include:

- thought leadership from leading institutions to inform our economic and geopolitical trends analysis
- ACCA insights reports, many of which are based on surveys, round table discussions and interviews with the ACCA community
- surveys with members, future members, employers and education providers
- input from teams across the world who are focused on engaging with our stakeholders.

Through this we've identified material matters affecting all stakeholders and the profession. We have also identified the key material issues for members, future members, employers and education providers.

All stakeholders and the profession

- **Economy:** continuing volatility across the global economy
- **Geopolitics:** geopolitical tension and the potential for fragmentation
- **Environment:** sustainability and climate change
- **Society:** shifting societal expectations and the stakeholder economy
- **Technology:** rapid technological transformation and emergence of AI

Members

- Value for money and relevant resources
- Recognition and integrity of the ACCA brand
- Careers and employability support

Future members

- Value for money and relevant resources
- Support to become members
- Careers and employability support
- A well-connected community

Employers

- Attracting talent
- Shaping the future of the profession
- A strong relationship with ACCA

Education providers

- Student recruitment and progression
- A strong relationship with ACCA to drive business success
- Teaching and tutor capability

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 **The global context, stakeholders and materiality**
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

How we're addressing material matters by stakeholder group

Jump to:

All our stakeholders and the profession

ACCA's commitments
to the UN SDGs

Link to ACCA's
corporate risks

Continuing volatility across the global economy

8 10



- Introducing the first in a new series of annual *Global economic outlook* reports.
- Monitoring the economic environment on a quarterly basis through the ACCA/IMA *Global economic conditions* survey.
- Raising the salary threshold for reduced subscriptions for members in employment but on low salaries to £15,000, increasing the number of members who can benefit.
- Providing subscription support for the ACCA community in markets severely impacted by economic turbulence.

1 About ACCA
and this report

2 Our 2023-24
highlights

3 Leadership
messages

4 ACCA's strategy
and 2023-24
performance

5 Value creation
model

Geopolitical tension and the potential for fragmentation

4 8 16



- Championing the adoption of global standards through our policy and insights work.
- Applying a set of values-based principles that guide our support for the ACCA community in response to geopolitical tension or conflict.

6 The global context,
stakeholders
and materiality

Sustainability and climate change

9 12 13



- Learn more in the [Delivering on sustainability section](#) of this report.

7 Delivering on
sustainability

Shifting societal expectations and the stakeholder economy

8 16 17



- Concluding a multi-year transformation of our governance arrangements during the strategy to 2025. Learn more in our [previous annual reports](#).
- Making progress in relation to *Delivering on sustainability*.
- Publishing *Global talent trends 2024*, one of the largest studies across the accountancy profession – evaluating the world of work and key threats and opportunities.
- Learning about the expectations of new generations entering the workplace through our online *NextGen* research panel.
- Focusing on a robust approach to [governance, leadership and people](#).

8 Risks and their
management

9 Governance,
leadership
and people

10 The new ACCA
strategy, measures
and targets

11 Financial
statements

Rapid technological transformation and emergence of AI

4 8



- Publishing relevant insights including our *Quick guide to AI*, *Digital Horizons* and *Building the foundations for trusted AI*.
- Supporting members to upskill through a range of online learning resources and events including a refreshed AI essentials CPD pack and a new online course, *Accounting and finance in a digital age*.
- Hosting a number of AI-related sessions at our annual virtual conference, *Accounting for the Future*.
- Driving forward our innovations in learning and assessment.
- Establishing an internal steering group to drive integrated thinking, decision-making and action in relation to AI.

How we're addressing material matters by stakeholder group

Jump to:

Members

ACCA's commitments
to the UN SDGs

Link to ACCA's
corporate risks

Value for money and relevant resources

4 10



- Championing the role of the profession and the value ACCA members deliver through our *Accounting for a better world* initiative.
- Strengthening the *ACCA Learning* portfolio which includes free, discounted and paid-for learning.
- Refreshing ACCA's AI, sustainability and professional skills 'essential CPD packs', which bundle free CPD resources for members.
- Supporting members to deliver value across all sectors through our range of sector-specific support.
- Hosting events throughout the year, including our annual virtual conference, *Accounting for the future*.
- Sharing information through regular e-zines and *AB magazine*.

1 About ACCA
and this report

2 Our 2023-24
highlights

3 Leadership
messages

4 ACCA's strategy
and 2023-24
performance

5 Value creation
model

Recognition and integrity of the ACCA brand

16 17



- Championing the role of the profession and strengthening ACCA's presence through our *Accounting for a better world* initiative.
- Ensuring our regulatory and disciplinary arrangements are robust, relevant and proportionate: learn more in [ACCA's regulatory report](#).
- Continuing our strategic alliance with Chartered Accountants Australia and New Zealand (CA ANZ), which creates public value by benefiting the wider profession.
- Developing the profession in partnership with others and driving public financial management reform across multiple markets.
- Holding mutual recognition agreements with prestigious accountancy bodies across the world.
- Achieving audit recognition in 2023-24 in both South Africa and Ukraine.
- Learn more in [Material issues impacting all stakeholders](#).

6 The global context,
stakeholders
and materiality

7 Delivering on
sustainability

8 Risks and their
management

9 Governance,
leadership
and people

Careers and employability support

4 8 10



- Offering a range of employability support including *ACCA Career Navigator*, *ACCA Learning*, *ACCA Careers* and virtual careers fairs across the world.
- Additional activity is in [value for money and relevant resources](#) and [Material issues impacting all stakeholders](#).

10 The new ACCA
strategy, measures
and targets

11 Financial
statements



How we're addressing material matters by stakeholder group

Jump to:

Future members

ACCA's commitments to the UN SDGs

Link to ACCA's corporate risks

Value for money and relevant resources

- Rolling out the *ACCA Study Hub* globally, a major step forward in providing access to a quality finance and accountancy education.
- Analysing the impact of our resources to ensure their value: pass rates for students using the CBE practice platform for the September 2023 exams were 13% higher than the global average, and 6% higher for those using the *ACCA Study Hub*. Pass rates for students using both resources were 15% above the global average.
- Refreshing the *Student Accountant* app, introducing new features to support students with their qualification journey, careers and wellbeing.

4 8
10 17



1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

Support to become members

- Delivering an extensive range of digital education and learning provision for students
- Streamlining how future members record their practical experience for membership while also ensuring the ongoing rigour of the ACCA Qualification.
- Connecting affiliates with ACCA members through our remote practical experience supervisor programme.

4 8



Careers and employability support

- Offering a wide range of careers support, including connecting future members with employers through our programme of virtual careers fairs and introducing a new international employers' hall at these events to create opportunities for global careers.

8



A well-connected community

- Connecting affiliates with ACCA members through our remote practical experience supervisor programme.
- Carrying out a range of in-market initiatives to connect future members, education providers and employers.

4 8



Enabling opportunity

Oksana Glodik
ACCA student, originally from Ukraine, and now financial planning and analysis OPEX manager at Warner Bros. Discovery (based in Poland).

How we're addressing material matters by stakeholder group

Jump to:

Employers

ACCA's commitments
to the UN SDGs

Link to ACCA's
corporate risks

Attracting talent

- Publishing *Global talent trends 2024*, one of the largest studies across the accountancy profession – evaluating the world of work and key threats and opportunities.
- Introducing an international employers' hall at our virtual careers fairs to connect employers with international talent.
- Launching *Stay one step ahead with ACCA* campaign to support employers with hiring and retaining talent, sourcing the right skills for their businesses, growing finance capabilities and sourcing international talent.



1 About ACCA
and this report

2 Our 2023-24
highlights

3 Leadership
messages

4 ACCA's strategy
and 2023-24
performance

5 Value creation
model

6 The global context,
stakeholders
and materiality

7 Delivering on
sustainability

8 Risks and their
management

9 Governance,
leadership
and people

10 The new ACCA
strategy, measures
and targets

11 Financial
statements

Shaping the future of the profession



- Championing the role of the profession in building sustainable economies and organisations and providing relevant insights through our *Accounting for a better world* initiative and related policy and insights activity.
- Updating the ACCA Qualification and investing in innovations in learning and assessment to ensure ACCA delivers highly relevant knowledge and skills both now and in the future.

A strong relationship with ACCA



- Engaging employers through round table discussions and input into ACCA's published insights.
- Making organisational changes during the strategy to 2025 to enable our global relationships teams to strengthen ACCA's partnerships with employers and the support we offer them.



'I would recommend ACCA Careers for employers looking to source the best and brightest accountancy talent.'

Tim Craye FCCA

Originally from France, now based in the UK. Tim is the founder of 01 Accounting Services, an accounting firm with offices in France, the UK, Ireland, Malta and New Zealand.

How we're addressing material matters by stakeholder group

Jump to:

Educational providers

ACCA's commitments to the UN SDGs

Link to ACCA's corporate risks

Student recruitment and progression

4 8 17



- Attracting 99,586 new students to ACCA in the year through our partnerships with education providers and employers, and our *Be You. Anywhere* digital campaign.
- Responding to a specific *Strategic Professional* progression challenge in Africa by collaborating with education providers on a test and learn initiative called *ACCA Study Hub+* which will inform our future innovations in learning and assessment.

A strong relationship with ACCA

4 17



- Making organisational changes during the strategy to 2025 to enable our Relationships teams across the world to strengthen our partnerships with education providers. Learn more about our organisational changes in [previous annual reports](#).

Teaching support and tutor capability

4 17



- Guiding tutors on embedding ACCA resources (eg. CBE mock exams) into their learning programmes.
- Hosting our virtual *Annual tutor conference* in April, attended by 1,223 people from 70 countries.
- Offering a range of tutor support including digital *Train the trainer* and *Train the marker* sessions.
- Supporting tutors through ACCA's *Education Hub* and the *ACCA Study Hub*.



Prize-winning ACCA students from Sunway TES. A top Malaysian education provider and valued ACCA partner for 25 years, Sunway TES have supported over 10,000 ACCA students through their studies.

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

7

Delivering on sustainability

ACCA's approach to sustainability



Key highlights



Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

7 Delivering on sustainability

ACCA's approach to sustainability

Sustainability is intrinsic to ACCA's role within the accountancy profession, and our purpose, values and strategy reflect this. Our primary method of measuring progress during the strategy to 2025 has been through our strategic balanced scorecard.

In 2020 we developed a set of commitments to the UN's Sustainable Development Goals (SDGs), which articulate how ACCA and its community are contributing to the transformation needed to create a fairer and better world. These commitments bring our external and internal intent together, guiding how we deliver our strategy.

Learn more at accaglobal.com →

We know we can make the most significant contribution to sustainability by supporting and empowering the ACCA community. We've embedded sustainability in the ACCA Qualification and we offer a broad range of related technical guidance, continuous learning and insights. ACCA's *Accounting for a better world* initiative is focused on sustainable development and practices.

ACCA has also been working with governments, policy makers and businesses to drive positive change and create a better and fairer future. Our global policy positions focus on *developing skilled workforces* and *building sustainable economies*.

ACCA's sustainability steering group provides a central point of oversight for activity, driving alignment, supporting the progress of key initiatives and informing ACCA's approach to reporting. Maggie McGhee, ACCA's executive director – strategy and governance, chairs the steering group and key updates and recommendations are presented to the Executive Board.



Developments in 2023-24

Examples of ACCA's sustainability activities can be found throughout this report. We also took steps in the year to progress our corporate approach to sustainable development. Our key areas of focus were to:

- engage with the ACCA community and key stakeholders through our *Accounting for a better world* initiative
- drive the adoption of the new IFRS Sustainability Disclosure Standards across the ACCA community
- progress ACCA's journey to carbon net zero.

We also placed a focus on being a fair and inclusive organisation: you can learn more in [Governance, leadership and people](#).

During the year, we also began to transition ACCA's market investments into sustainable funds, starting by moving 15% of our holdings into appropriate products currently in the investment marketplace.

Jump to:

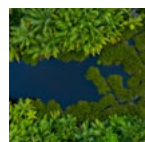
- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability**
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

Key highlights

Engaging with the ACCA community and key stakeholders through our *Accounting for a better world* initiative

In 2023-24 our award-winning *Accounting for a better world* initiative and related spotlights continued to reflect the vital role the profession can play in the transition to a fairer, greener and more sustainable world.

Learn more at accaglobal.com →



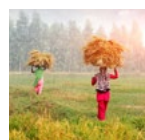
Spotlight one: Sustainability for a better world

- publishing *Green finance skills: the guide* to encourage professional accountants to drive the migration to sustainable economies and businesses.
- co-hosting a global webinar with the CFA Institute.
- celebrating Earth Day with a focus on encouraging our community to play their part in delivering the UN SDGs.



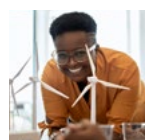
Spotlight two: Social responsibility for a better world

- publishing two new insights reports, *Chief value officer: the important evolution of the CFO* and *Accounting for society's values*.
- hosting a global webinar on these issues.



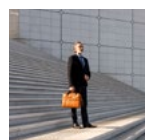
Spotlight three: Ethics for a better world

- filming a series of interviews on ethical topics with subject matter experts from multiple locations (Washington DC, Mumbai, London, Singapore and Benin City, Nigeria) to align with Ethics Day, reaching 2.7m views on YouTube.
- publishing two insights reports, *Public trust in tax* and *Ethics considerations in the sustainability reporting era*.
- playing a key role in the UN World Investment Forum in October.



Spotlight four: Climate action for a better world

- taking part in COP28 in the United Arab Emirates to amplify the profession's role in sustainable development.
- hosting our flagship annual virtual conference, *Accounting for the Future*. The event was themed *Climate, Talent and Tech: managing multiple priorities* and the most popular session (with over 12,000 delegates) was *The accountant's role in putting people, profit and planet on a par*.
- publishing a highly practical insights report, *Sustainability reporting – the guide to preparation* accompanied by self-serve workshops, each supported by an introductory video.
- hosting our fourth Africa Members' Convention themed *Empowering finance professionals for sustainable development in Africa*, attended by 700+ members and industry professionals including the Deputy Auditor General of South Africa and the Chief Executive of the South Africa Independent Regulatory Board for Auditors (IRBA).



Spotlight five: Careers and talent for a better world

- launching ACCA's *Global talent trends 2024*, with almost 10,000 respondents from 157 countries taking part. This report included a range of actionable insights for employers in particular, including the importance of a strong diversity and inclusion culture in attracting and retaining talent. The accompanying videos on the report reached 700,000 views.



Spotlight six: Inclusion for a better world

- taking part in International Women's Day (IWD) by calling on governments, policy makers and employers to make a reality of the 2024 UN IWD theme *Invest in women: accelerate progress*.
- publishing insights on *Gender responsive budgeting*.
- sharing inspiring stories from our female members on our IWD microsite, with 700,000 views of the accompanying video and 380,000 visits to the microsite.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

Jump to:

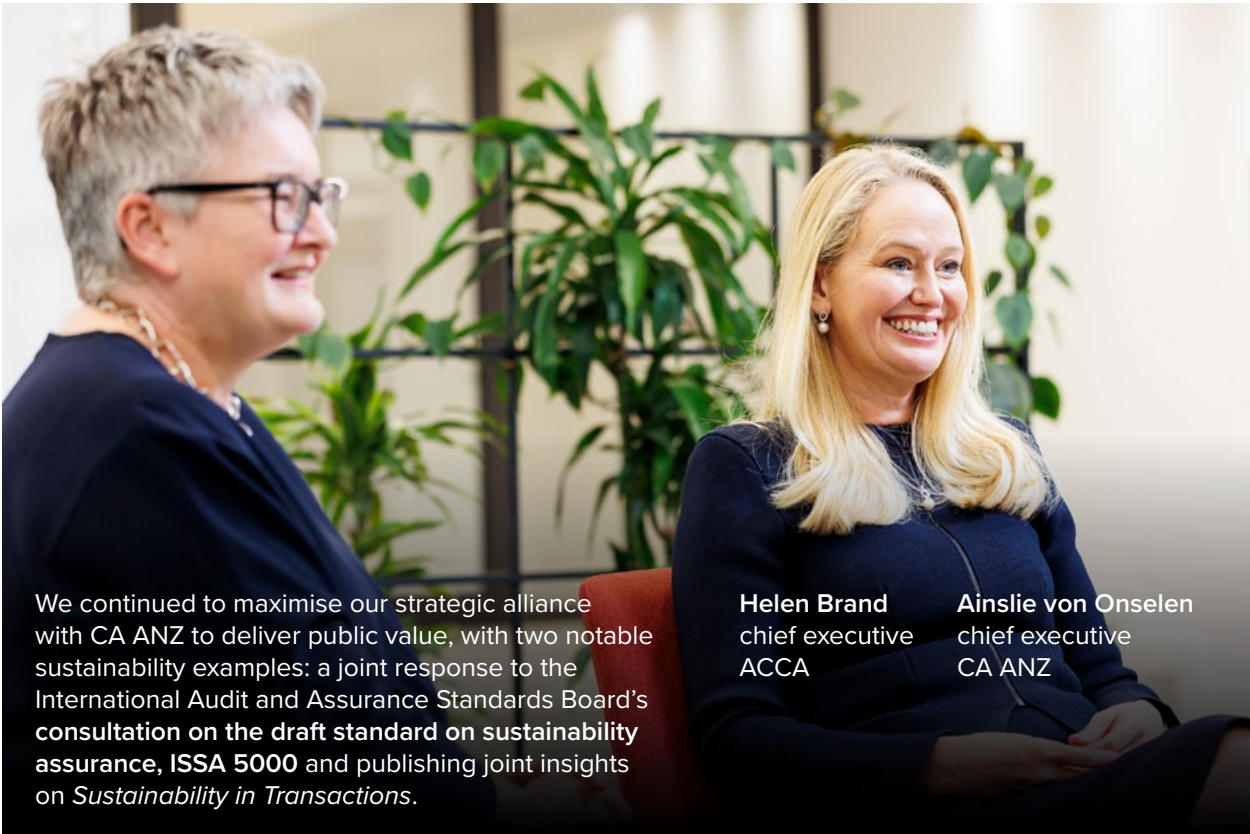
1	About ACCA and this report
2	Our 2023-24 highlights
3	Leadership messages
4	ACCA's strategy and 2023-24 performance
5	Value creation model
6	The global context, stakeholders and materiality
7	Delivering on sustainability
8	Risks and their management
9	Governance, leadership and people
10	The new ACCA strategy, measures and targets
11	Financial statements

Drawing on our global nature to act in partnership for a better world

We recognise how important it is to draw on partnerships to accelerate the transition to a more sustainable world. Here are some key examples of activity in 2023-24.

- Following the launch of the new IFRS S1 and S2 global sustainability disclosure standards in June, we partnered with the ISSB to publish explainer videos for the two new standards, IFRS S1 and S2.
- We provided seed funding for the International Public Sector Accounting Standards Boards (IPSAS) to undertake the research and scoping of a new programme of work on public sector sustainability reporting.
- We worked in partnership with the Pan African Federation of Accountants (PAFA) to survey members on their readiness to drive the adoption of the new standards.
- We signed a Memorandum of Understanding with the Securities and Exchange Commission of Pakistan to reflect our joint commitment to promoting sustainability practices, ethical standards and related learning initiatives for investors.

- We joined forces with the Turkish government, standards setters and regulators to drive the adoption of the new standards.
- At COP28 we joined forces with the International Organization of Securities Commissions, the International Federation of Accountants, the ISSB and the London Stock Exchange to call for action to ensure sustainability reporting can help provide better information for those driving climate action across the business world.
- Also at COP28, we launched new insights on *The role of the CFO and finance function in the climate transition* with the International Federation of Accountants (IFAC) and PwC.
- Amongst other groups, we're a proactive member of the IFRS Partnership framework for capacity building, the Green Finance Education Charter and the *Race to Zero* campaign.



We continued to maximise our strategic alliance with CA ANZ to deliver public value, with two notable sustainability examples: a joint response to the International Audit and Assurance Standards Board's **consultation on the draft standard on sustainability assurance, ISSA 5000** and publishing joint insights on *Sustainability in Transactions*.

Helen Brand
chief executive
ACCA

Ainslie von Onselen
chief executive
CA ANZ

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 **Delivering on sustainability**
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

ACCA is committed to becoming carbon net zero, targeting a 50% reduction in carbon emissions by 2030 and net zero by 2045.

Driving the adoption of the new IFRS Sustainability Disclosure Standards across the ACCA community

Our *Accounting for a better world* initiative is our key vehicle to drive the adoption of the new IFRS Sustainability Disclosure Standards across the ACCA community. We also carried out specific activities in the year to upskill the ACCA community.

- We added sustainability content to the Applied Skills level of the **ACCA Qualification** during 2023-24 to support the existing content at the Strategic Professional level. We also updated ACCA's practical experience requirement to cover sustainable value creation.
- We updated the **Certificate in Sustainability for Finance** to incorporate the new sustainability disclosure standards (as well as introducing a version in Arabic).
- We introduced a **sustainability essentials CPD pack** which bundles a range of free resources for members. Over 13,000 users have engaged with this.
- We rolled out workshops across multiple markets to prepare members and others for the new global sustainability standards and the EU Corporate Sustainability Reporting Directive.

Progressing ACCA's journey to carbon net zero

ACCA is committed to becoming carbon net zero, targeting a 50% reduction in carbon emissions by 2030 and net zero by 2045. In 2023-24, we became the first global professional accountancy body to have our net zero targets verified by the Science Based Targets initiative.

Since 2019, ACCA has achieved a 37% reduction in carbon emissions. In 2023, however, our emissions rose by 8.4% compared to 2022, primarily due to face-to-face events and commuting. In response, we held a series of net zero workshops to identify how we can drive reductions in the short to medium term.

How we'll move forward

In 2024-25 we have two areas of focus:

- 1 To equip all our stakeholders to fully understand their role in delivering business change and complying with emerging standards and regulations.
- 2 To develop our carbon net zero action plan and embed it across ACCA.

Specific activities:

- driving action through our *Accounting for a better world* initiative and related policy and insights activity
- launching a new modular sustainability qualification, with four certificates leading on to the diploma which will meet emerging regulatory requirements – firstly for the EU's Corporate Sustainability Reporting Directive and, later, additional jurisdictions worldwide
- updating the ACCA Qualification with new content from September 2024
- offering new resources including Chinese and Spanish language versions of ACCA's Certificate in Sustainability for Finance
- developing and validating our net zero strategic plan, focusing on four key objectives.

We'll measure specific aspects of ACCA's progress in relation to sustainability through the **new ACCA strategy**, including specific sustainability measures and targets related to our people, planet and prosperity. For net zero, our plan is to introduce a directional (%) target in 2025-26.

Finally, we will continue to increase the proportion of ACCA's market investments into holdings that clearly demonstrate our commitment to sustainable development.

Decarbonise the global supply chain

Purchasing makes up 35% of ACCA emissions. Removing carbon emissions from the supply chain is critical to delivering net zero. A focus on supply chain will be needed through to 2045.

Reshape our approach to events

Events account for 43% of base year emissions. To meet our net zero targets change is required to how ACCA initiates and operates events globally.

Reshape our approach to travel

Travel emissions have decreased significantly since the pandemic, however our approach to travel needs to evolve to ensure we can meet strategic objectives whilst delivering net zero.

Decarbonise our operations

Scope one and two emissions concern our indirect energy use, primarily generated from operations. Removing scope one and two emissions is fundamental to delivering net zero.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability**
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

8

Risks and their management

Our approach to risk management



Corporate risks and uncertainties



Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

8 Risks and their management

Jump to:

Risk management plays an integral part in helping ensure that ACCA delivers its strategic ambitions.

We consider risk across three broad types:

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

The overall objective of our enterprise risk management (ERM) approach is to support ACCA's strategy and embed a risk culture that ensures decision-making is risk-aware, balanced and transparent.

At ACCA we use Protecht software to provide a holistic view of organisation-wide risks and opportunities. Our risk process is supported by internal subject matter experts and contributions from wider stakeholders across the organisation, while we monitor changes in the external environment that could impact the delivery of the strategy.

There are nine risks on our corporate risk register. These are principal risks that are intrinsic to the achievement of our strategy and operations. In 2023-24 our corporate risks have remained stable and robustly managed to reflect changes in our operating environment. Our strategic risks are reviewed monthly, with directorate and functional level risks reviewed quarterly and biannually respectively. We undertake a combination of qualitative and quantitative risk assessments to ensure our risks are effectively analysed and managed.

Risk culture

In 2023-24, we launched a new ERM e-learning module for ACCA employees to enhance their understanding of ACCA's risk management approach and key risk concepts. A greater level of awareness across the organisation ensures that decision makers are more responsive to the risks and related opportunities that can support the delivery of our strategy.

Ownership and oversight

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

Each corporate-level risk is owned by an Executive Board member, with the entire board reviewing all risks monthly to reflect any market, legislative and/or operational developments and update mitigation and risk profiles. ACCA's risk team also supports a bottom-up risk management process through regular reviews and quality assurance monitoring to ensure all underlying risks that contribute to corporate-level risks are managed.

ACCA's Audit Committee exercises independent oversight of ACCA's risk management process, providing assurance to ACCA's Council, via the Council Board, on the adequacy and effectiveness of our controls and risk management process.

Risk appetite statement

ACCA has an overarching risk appetite statement, supported by sub-statements setting out our risk appetite across a range of distinct and specific areas aligned to our strategic outcomes. Our risk appetite statement serves as a guide for decision-making across the organisation, ensuring we have a consistent approach and take measured risks that are balanced against the rewards. We have an open appetite for taking well-managed risk where innovation and transformation can deliver change for public good, build long-term value and create opportunities for improvements in our ability to achieve our strategy. We hold a risk-averse appetite to risks that call into question the ethics of the profession, the value accountancy creates, or our own ethics as an organisation.

We continue to monitor the alignment between our risks and our commitments to the UN SDGs as part of our risk process. This ensures we can robustly identify and manage any emerging risks that threaten our ability to meet our stated commitments. You can read more in the [Delivering on sustainability](#) section of this report.

How we'll move forward

We'll review and update our risk appetite statement and ERM framework in line with the [new ACCA strategy](#). We will also keep building risk maturity across ACCA, recognising that strong organisation-wide risk competency supports the delivery of our strategy.

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management






9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

Corporate risks and uncertainties

Jump to:

Risk	Key mitigations	Link to ACCA's UN SDG commitments
 <p>1 Inability to accurately forecast income and costs</p>	<ul style="list-style-type: none"> Monthly review of variances in key income streams Quarterly forecasting of financial performance to give early warnings of shortfalls Ongoing financial scenario development based on latest information Key costs forecasted on driver-based modelling Exam forecasting forum reviews exam volume forecasts in consideration of capacity Maintenance of appropriate contingency within overall budget to help manage unforeseen financial shocks 	None
 <p>2 Supporting our students in exam progression and ensuring that affiliates accomplish their journey to full membership</p>	<ul style="list-style-type: none"> Supporting capability building of learning partners and tutors to adapt to qualification changes and address market-specific challenges Strategic partner approach with key Approved Learning Partners Monitoring of future member progression rates Partner support – <i>Train the trainer</i> sessions Enhanced resource offering to improve employability Introduction of remote practical experience supervision (RPES) to support affiliates 	<div>4 5</div> <div>8 10</div>
 <p>3 Failures in our end-to-end exam processes</p>	<ul style="list-style-type: none"> Robust end-to-end processes and controls Contracts with strategic suppliers to ensure process deliveries within required performance measure and governance framework Exam Contingency Group monitors and addresses potential and actual disruption to exams Exams compensation and insurance policies in place Lessons learned outputs continually reviewed 	<div>4 5 8</div> <div>10 17</div>
 <p>4 Ability to operate across markets is restricted</p>	<ul style="list-style-type: none"> Monthly monitoring and escalation of recognition risks Leveraging existing forms of recognition and partnerships across our markets, including those with national bodies, regulators and relevant ministerial authorities Cross-functional support, expertise and collaboration to strengthen the profession, develop and deliver partnerships, and market recognition initiatives for enhancement of global recognition portfolio 	<div>8 16 17</div>
 <p>5 Failure to comply with existing, changing or new regulatory or legislative requirements</p>	<ul style="list-style-type: none"> Internal/external audit process in place to address compliance In-country legal advisers identify changing and new legislation Subject matter experts across ACCA provide expert compliance advice Global compliance management framework is in place that enhances ACCA's ability to maintain its licenses needed to operate globally 	<div>4 5 8</div> <div>10 17</div>

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

Risk	Key mitigations	Link to ACCA's UN SDG commitments
 6 Loss of data or sensitive information	<ul style="list-style-type: none"> ■ Regular reviews against ACCA's industry-standard controls framework to measure IT security status and maturity improvements, and ensure that targeted activities provide value to ACCA's overall cyber security approach ■ Cyber security team contributes to compliance and regulatory governance forums to ensure understanding of compliance position and the requirements on ACCA ■ Utilisation of technical security capabilities to safeguard against malicious activity and cyber-attack 	<div>9</div> <div>12</div>
 7 Failure to comply with educational regulators' requirements	<ul style="list-style-type: none"> ■ Quarterly review to confirm compliance with the UK's Office of Qualifications and Examinations Regulation (Ofqual) conditions ■ Customer service regulatory compliance group established ■ Annual review and statement of compliance with Ofqual and Scottish Qualifications Authority (SQA) conditions ■ Continual improvement of production and delivery systems and/or processes to detect and prevent error 	<div>16</div> <div>17</div>
 8 Digital transformation	<ul style="list-style-type: none"> ■ Rolling external assurance plan in place for each reporting year focused on benefits realisation, change management approach, and maintaining a focus on key requirements ■ Supporting cultural change elements through activities to support digital skills and capabilities ■ Reviews of all architecture directions and solution blueprints to ensure alignment with the roadmap ■ Internal governance structure in place, comprising the Executive Board and other key stakeholder groups such as Programme Direction meeting, Programme Review group and Design Leadership groups that help the programme keep pace and ensure alignment with project goals ■ Performance reporting enhanced by dashboard coverage utilising applications such as Azure DevOps ■ Digital maturity model to support realisation of benefits to both internal and external stakeholders 	<div>9</div> <div>12</div> <div>17</div>
 9 Relevance and attractiveness of the accountancy profession	<ul style="list-style-type: none"> ■ Developing a consistent, compelling message around why accountancy presents a strong and viable career ■ Innovation in learning and assessment programme looking at the future structure, content and positioning of the ACCA Qualification ■ ACCA's policy and insights work to promote the attractiveness and relevance of accountancy ■ Demonstration of our sustainability credentials ■ Enhanced segmentation of, and research into, prospect groups to better define outreach 	<div>8</div> <div>9</div> <div>16</div>

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

9

Governance, leadership and people

Council



Council Board



Executive Board



People



Diversity and inclusion



Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

9 Governance, leadership and people

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

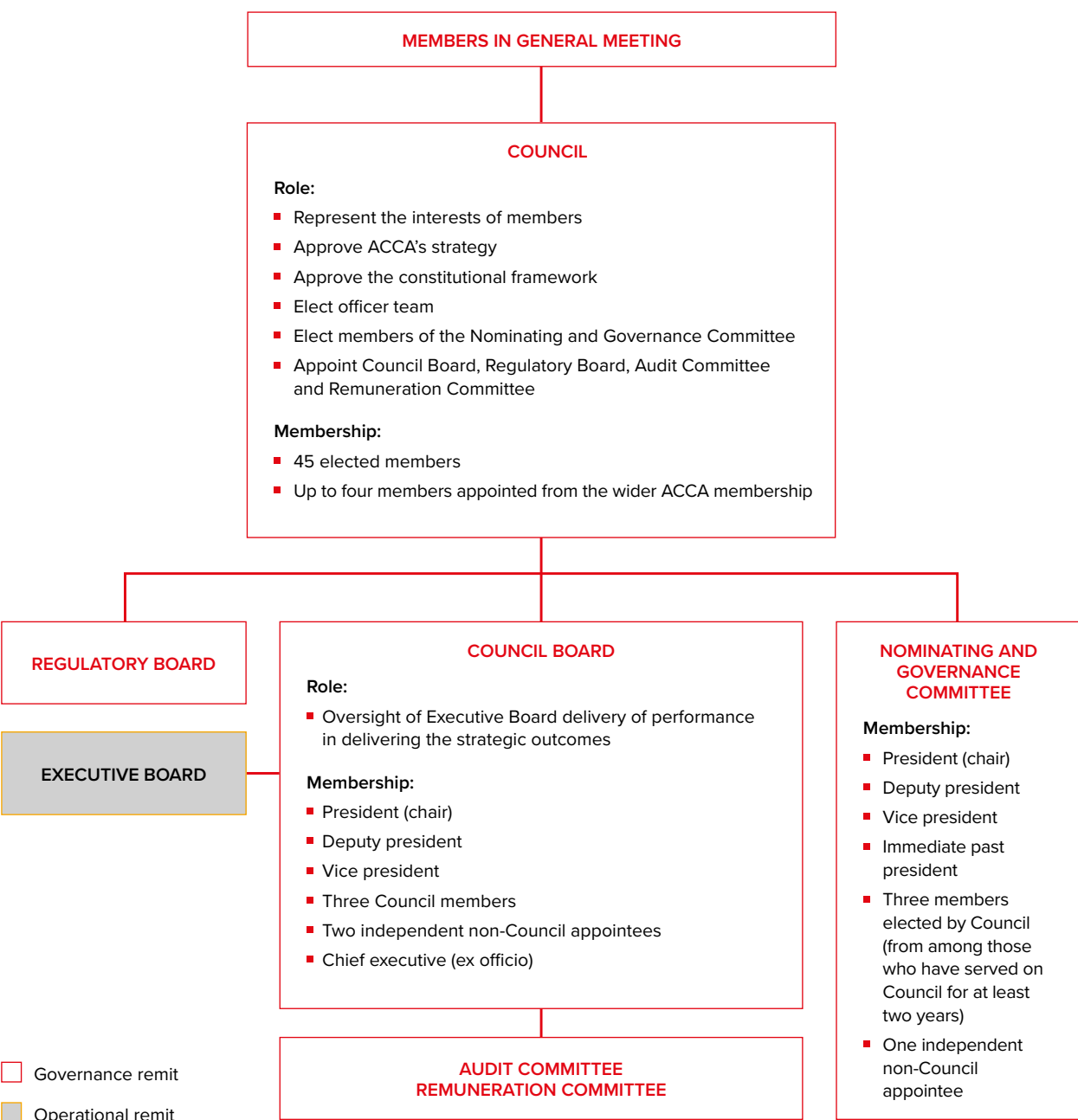
9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

Our governance and leadership is formed of our Council, Council Board and Executive Board. Working together, they are responsible for developing and leading the execution of ACCA's strategic ambition on behalf of our members.

ACCA's governance and leadership structure



Council responsibilities and composition

Council's responsibilities are to:

- ensure that ACCA operates in the public interest and delivers the objectives stated in its Royal Charter
- set the overall direction of ACCA through its contribution to the design of strategy with the Executive Board and its overall approval of ACCA's strategy
- elect a president, deputy president and vice president to function as the leadership of ACCA's membership
- act as ambassadors for ACCA and engage with ACCA members to explain and promote ACCA's strategic direction
- appoint a Council Board to provide appropriate challenge to, and oversight of, the Executive Board's plans for the implementation of strategy, including the achievement of targets for performance and outcomes
- provide assurance to members at large as to sound financial and general management through an Audit Committee reporting to the Council Board (although the appointment of external auditors is reserved for the Annual General Meeting)
- appoint a Nominating and Governance Committee to ensure Council remains reflective of the membership and that overall governance design and planning supports the delivery of ACCA's strategy
- appoint a Remuneration Committee to report to the Council Board, dealing with the remuneration and performance management of the chief executive, oversight of the same for the executive directors and oversight of all other aspects of ACCA's people strategy
- appoint a Regulatory Board to report to Council on the operation of ACCA's disciplinary and regulatory procedures.

Our Council is currently made up of 45 members – a diverse group of practitioners, academics, chief executives, chief risk officers, managing directors and finance managers, who come from 17 countries.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people**
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

Council 2023-24

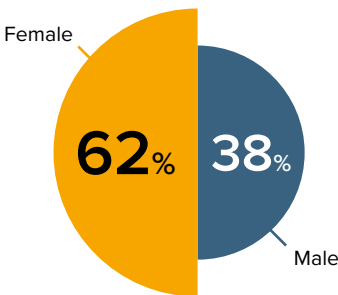
Amos Ng	Gillian McCreadie	Michelle Hourican
Anastasia Chalkidou	Grainne Murphy	Natalie Chan
Ayla Majid (deputy president)	Helen Morgan	Nauman Asif Mian
Babajide Ibironke	Ian Ng	Oluwaseyi Oshibolu
Carol-Ann Boothe	James Lizars	Oxana Losevskaya
Cathal Cusack	Jennifer Yuen Chun Tan	Philip Maher
Cristina Gutu	Joe O'Regan	Rabia Shaukat
Dani (Ladan) Saghafi	Joseph Owolabi (past president)	Ronnie Patton (president)
Datuk Zaiton Mohd Hassan	Liz Blackburn	Sharon Critchlow
Den Surfraz	Lock Peng Kuan	Shujuan (Jane) Yang
Dinesh Jangid	Marta Rejman	Siobhan Pandya
Dinusha Weerawardane	Matthew Wong	Susan Allan
Ernest Wong	Md Arif Al Islam	Trusha Lakhani
Fen Nee Lim	Melanie Proffitt (vice president)	Victoria Ajayi
Gary Kent	Merina Abu Tahir	Winnie Ki

Council held four meetings during the reporting year.

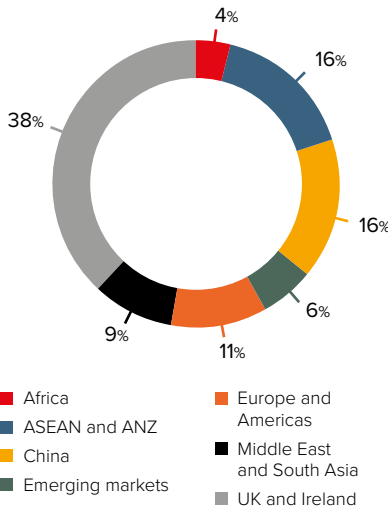
Profiles of all Council members are on accaglobal.com 

Council demographics

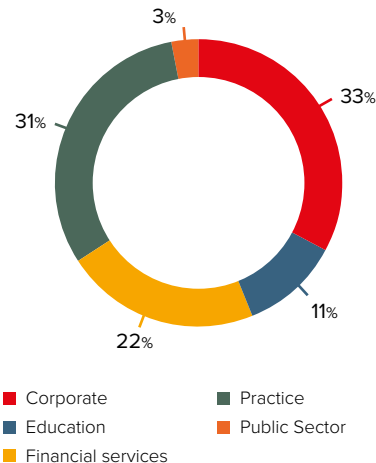
Gender



Region



Sector



Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 **Governance, leadership and people**
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements






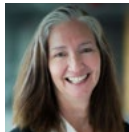



Council Board responsibilities and composition

The Council Board's responsibilities are to:

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

There are nine places on the Council Board, comprising the president (chair of the Board), deputy president, vice president, three Council members nominated by Council, two appointed independent board members and the chief executive (ex officio). Council members of the Council Board are appointed for a one-year term.

Council Board 2023-24

	Chair (president) Ronnie Patton FCCA		Council member Susan Allan FCCA		Non-Council member Anand Aithal
	Deputy president Ayla Majid FCCA		Council member Natalie Chan FCCA		Non-Council member Daryl Fielding
	Vice president Melanie Proffitt FCCA		Council member Siobhan Pandya FCCA		Chief executive (ex officio) Helen Brand OBE

International Assembly

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

Jump to:







- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

Executive Board responsibilities and composition

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

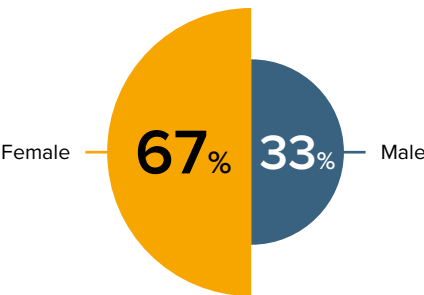
Executive Board

	Helen Brand OBE Chief executive		Raymond Jack Executive director – finance and operations
	Alan Hatfield Executive director – content, quality and innovation		Maggie McGhee Executive director – strategy and governance
	Julie Hotchkiss Executive director – people and transformation		Lucia Real Martin Executive director – relationships

Profiles of the Executive Board members are on accaglobal.com →

Executive Board demographics

Gender



Locations



Five of the team members are based in the **UK** and **one** is based in **Australia**.

Executive Board reward plan

The Remuneration Committee uses the corporate strategic measures and targets agreed by the Council Board to determine the reward plan for the Executive Board each year. This arrangement is structured to reward behaviour and performance that is appropriate for ACCA and focus the organisation on those elements of ACCA's strategy which the Council Board believes require the

greatest focus at a particular point in time. More information about the reward plan and governance which underpins it, as well as details of the Executive Board's remuneration, can be found in ACCA's financial statements within the Corporate Governance Statement.

Read the **Financial statements** →

People

We offer the opportunity to be part of a purpose driven, dynamic organisation that makes a difference to societies around the world. We nurture forward-thinkers who live our values and embrace the diverse perspectives of our global community, working together to create exciting solutions. We invest in our people, helping them grow and reward them for their role in delivering our vision.

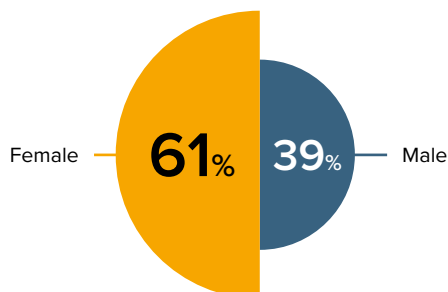
ACCA's employee culture is key to the delivery of the strategy to 2025. Our employee behaviour framework details our desired behaviours, which are closely aligned to ACCA's purpose and values.

Global number of employees

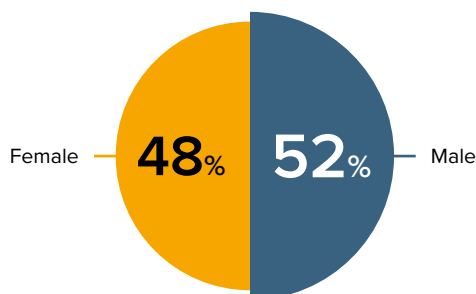
ACCA relies on a diverse global workforce to deliver its strategy. As of 31 March 2024, ACCA had 1,332 employees – 9 fewer overall than at 31 March 2023.

Global employee gender diversity

Overall



Leadership (the Executive Board and directors who report to them)



Employee performance and development

Our approach to performance and development ensures people's activities are aligned to our strategic outcomes and people are empowered to deliver their best for ACCA.

At the start of the performance year, employees work with their managers to agree performance objectives. Performance is reviewed formally at the end of the year, with regular one-to-ones with managers throughout the year to track progress and discuss any support or development needed. We encourage all employees to reflect on the knowledge, skills and behaviours that underpin their performance and create personal development plans that build capability in relation to current and potential future roles.

We use Workday Learning to give our people access to a wide variety of learning resources to support their development. This includes access to the LinkedIn library, offering over 16,000 online courses. We also encourage employees to become mentors or mentees to support their learning goals. ACCA also funds essential CPD activities and the development of high-priority specialist skills.

In 2023-24, 21 people across ACCA completed a diverse leadership development programme to strengthen our talent pipeline.



1,332

As of 31 March 2024, ACCA had 1,332 employees – 9 fewer overall than at 31 March 2023.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people**
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

Diversity and inclusion

ACCA has an inclusion and diversity roadmap to guide activities throughout the year, with three community groups focusing on specific elements that are central to the employee experience:

- the importance of identity
- support and allyship
- building networks and making connections.

EMBRACE

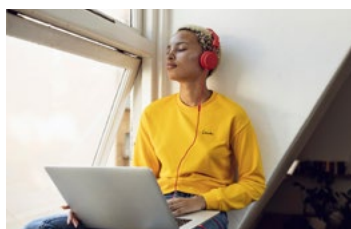
IMPACT

THRIVE

Our three community groups – *Embrace (LGBTQIA+)*, *Impact (Ethnicity)* and *Thrive (Wellbeing)* engage ACCA employees on the issues that matter to them, with the roadmap providing opportunities for people to explore various aspects of inclusion, belonging, diversity and wellbeing in more detail.

Our inclusion and diversity steering group, chaired by Julie Hotchkiss, executive director – people and transformation, oversees all these activities and monitors ACCA's progress towards becoming a more inclusive organisation against a mix of quantitative and qualitative indicators. These indicators focus on balanced representation with respect to gender and ethnicity at senior leadership level, and responses to five of our employee engagement survey questions which make up our inclusion and diversity index.

Highlights in 2023-24



80+ diversity and inclusion interventions

We included online events with external speakers on a range of topics including neurodiversity and imposter syndrome.



An online interview with ACCA's president

Joseph Owolabi, ACCA's youngest and first black president, shared his career journey and commitment to inspiring young people.



A new diversity and wellbeing calendar

ACCA community events and activities are now featured alongside events with external providers including AXA, Nudge and Inclusive Employers.



Increased inclusion and diversity perceptions

Our 2023-24 position is now six points higher than at the start of our strategy to 2025.

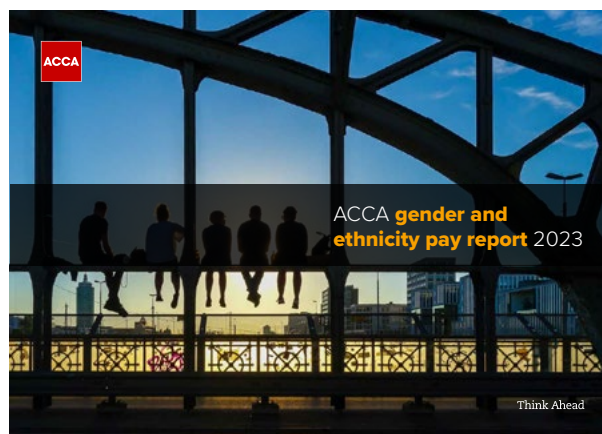
Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

UK gender and ethnicity pay gap reporting

Each year we submit gender pay information for our UK-based employees to the UK government. We also publish information on the results, including ethnicity pay gap data, on our website.

In the UK, the gender pay gap measures the difference in average pay between men and women, regardless of role, grade, length of service and any other differentiating factors. In line with the requirements, we analyse data from a 'snapshot date' of 5 April to determine our mean and median pay gap results.



Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

Gender pay gap

The ACCA mean gender pay gap is:

9.32%

- the ACCA mean gender pay gap is **9.32%**, widening from 4.64% last year
- the ACCA median gender pay gap is **7.42%**, widening from 2.05% last year

While the increases are disappointing, our results remain below the UK national averages of 10.7% mean and 7.7% median.

Ethnicity pay gap

The ACCA mean ethnicity pay gap is:

-4.39%

- the ACCA mean ethnicity pay gap is **-4.39%**, improving from 3.68% last year
- the ACCA median ethnicity pay gap is **-14.71%**, improving from 3.46% last year.

While these improvements are encouraging, they have the potential for more significant year-on-year volatility than our gender pay gap analysis.

This data is drawn from our UK employees, a relatively small proportion of our overall global workforce. 81% of our UK-based employees shared declarations of their ethnicity in 2023-24, up from 79% the previous year.

How we'll move forward

We'll keep encouraging all our people to share their ethnicity, and we'll take specific actions to address our UK gender pay gap, which will also benefit employees globally. More information on these results and the steps we'll take are in ACCA's UK gender and ethnicity pay gap report.

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

Employee engagement and wellbeing

In 2023-24 we surveyed ACCA's global employee network twice in the year to measure engagement, track perceptions of ACCA's inclusion and diversity, assess the progress of our culture change journey and identify challenges and issues we need to address.

In October 2022, our overall engagement score was **72 points**.

By October 2023, our overall engagement score had risen to **75 points**, reaching Glint's global benchmark.

ACCA deploys an employee satisfaction survey, *Our Voice*, to gain an in-depth view of the employee experience at ACCA. Our provider is Glint, owned by LinkedIn.

Glint is a leader in its field, enabling organisations (from 100 to 250,000 employees in 150+ countries) to understand employee perceptions and identify actions to increase engagement and attract, develop and retain the best talent.



74% April 2023

74% of employees said they were happy working at ACCA and would recommend ACCA as a great place to work (based on **82%** response rate).



75% October 2023

75% of employees said they were happy working at ACCA and would recommend ACCA as a great place to work (based on **80%** response rate).

In the year perceptions rose across several aspects of the employee experience including views that senior leaders lead by example, excitement about ACCA's future, confidence in how decisions are made, that people can learn and grow at ACCA and that the survey feedback is acted on.

Modern Slavery Act statement

ACCA is committed to acting ethically and with integrity in all our business dealings and relationships. You can read our Modern Slavery Act statement on our website.

Learn more at accaglobal.com →

Highlights in 2023-24

In 2023-24 we continued to offer a comprehensive wellbeing package, providing a range of interventions and resources to support employees' mental, physical, financial and workplace wellbeing.



59 mental health first aiders

We increased the number of mental health first aiders to provide peer-to-peer support and guidance.



12 menopause champions

We launched a new global menopause policy and introduced a trained network of champions to offer support and build awareness.



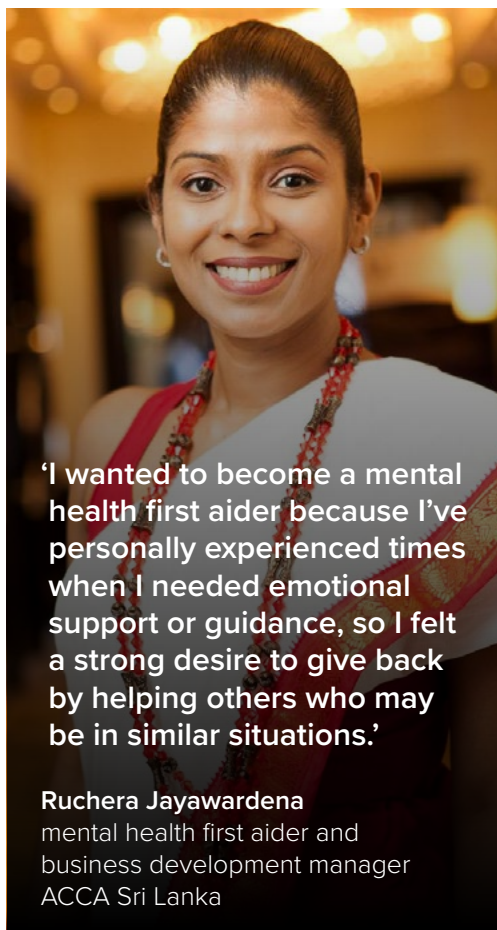
75% employees are positive about work-life balance

We exceeded Glint's global benchmark for perceptions of work-life balance.

How we'll move forward

- We'll focus on perception challenges in relation to systems and processes, continuous improvement and barriers to execution through organisational and team plans.
- We'll place a fresh emphasis on fostering cultural awareness and communicating and collaborating effectively across cultures to ensure everyone feels seen, heard and valued.
- We recognise that a fair, inclusive and dynamic working environment will empower ACCA's talent to build sustainable value and deliver the strategy with impact. In the new ACCA strategy, we'll include employee satisfaction on our new balanced scorecard to ensure we're creating the best conditions for success.

You can learn more about the [new ACCA strategy](#) in this report, and more on our wider approach to sustainability in the [Delivering on sustainability](#) section.



'I wanted to become a mental health first aider because I've personally experienced times when I needed emotional support or guidance, so I felt a strong desire to give back by helping others who may be in similar situations.'

Ruchera Jayawardena
mental health first aider and
business development manager
ACCA Sri Lanka

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 **Governance, leadership and people**
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

10

The new ACCA strategy, measures and targets

The ACCA strategy



Our strategic focus in 2024-25



Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets**
- 11 Financial statements



10 The new ACCA strategy, measures and targets

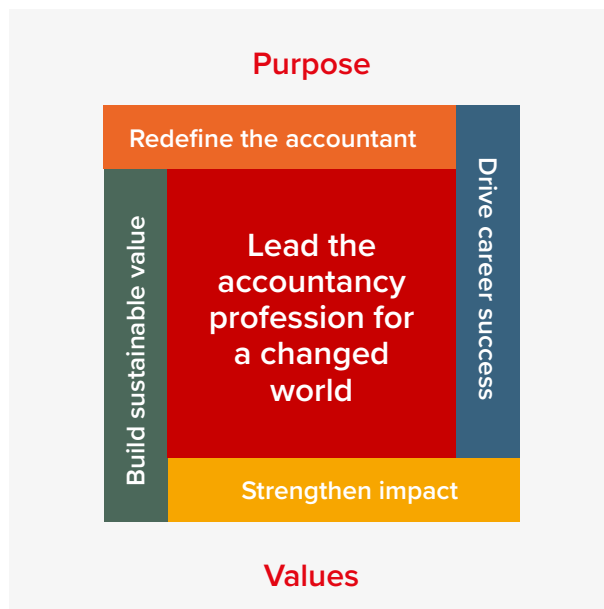
Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

We recognise that in recent years the world has been redefined by major events: including geopolitical, economic, climate and technology disruption. Taking this into account, ACCA introduced a new strategy in April 2024.

All our strategic analysis indicates that the world has fundamentally changed, and it will be imperative for the profession to adapt and transform as we look ahead. This is clearly reflected in the new ACCA strategy.

The ACCA strategy



The new strategy has no end date: it's a clear, long-term direction which will be underpinned by an iterative approach to planning across three-year cycles. This will enable ACCA to flex rapidly in the face of disruption and swiftly seize new opportunities as they emerge.

The ACCA strategy is set out in full at accaglobal.com

Learn more at accaglobal.com →

Strategic ambition

Our strategic ambition is to

Lead the accountancy profession for a changed world.

Strategic outcomes and capabilities

- **Redefine the accountant**
This reflects what ACCA has always stood for: thinking ahead and pushing boundaries as we draw on our global perspective to shape the future for the accountancy profession.
- **Drive career success**
The ACCA community is equipped with the flexible skills and connections to remain the first choice globally for employers across all sectors.
- **Strengthen impact**
ACCA has a thriving, diverse and inclusive global community, with members at its heart. We're uniquely placed within the profession to partner and drive action for a better tomorrow.
- **Build sustainable value**
We're focused on the strategic capabilities we will build to deliver sustainable value to the ACCA community as it leads the global profession forward.

Our strategic focus in 2024-25

Our strategic focus for 2024-25 is

Being bold: seizing opportunity for the future.

In the year ahead we'll drive success for the ACCA community by anticipating and responding to the external environment as we unlock opportunity across the global marketplace. We'll also make the essential preparations for a successful and sustainable future. At the heart of this is the delivery of our digital transformation which has the potential to super-charge our wider ambitions and deliver value to the marketplace with far greater speed and impact.

Strategic measures and targets for 2024-25

We'll assess progress against the ACCA strategy through eight measures, adopting a balanced scorecard approach. The Council Board has agreed stretching and ambitious targets for 2024-25.

Strategic outcome or capability	Measure	2024-25 target
Strategic ambition	Number of members	255,100
Redefine the accountant	Number of future members	524,100
Drive career success	Number of learners acquiring new skills through ACCA	157,500
Strengthen impact	Market share	22.8%
	Overall satisfaction with ACCA	70%
Build sustainable value	Sustainability: employee satisfaction	75 points
	Sustainability: in-year financial performance	£5.9m deficit (before tax)
	Sustainability: path to net zero	Plan development and validation

How we'll move forward

With our new strategy in place, and our corporate plan for 2024-25, our next step is to develop our first iterative three-year strategic plan. This will inform the Council Board's strategic target and budget setting in 2025-26 and beyond.

As we progress through the strategy, we will regularly review our desired capabilities and measures of success to ensure they remain highly relevant.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

11

Financial statements

Consolidated
five-year summary



Foreword



ACCA's consolidated
financial statements



Corporate governance
statement



Report from the
Audit Committee



Report of the
Independent Auditor



Jump to:

1 About ACCA
and this report

2 Our 2023-24
highlights

3 Leadership
messages

4 ACCA's strategy
and 2023-24
performance

5 Value creation
model

6 The global context,
stakeholders
and materiality

7 Delivering on
sustainability

8 Risks and their
management

9 Governance,
leadership
and people

10 The new ACCA
strategy, measures
and targets

11 Financial
statements

Consolidated five-year summary

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

ACCA and subsidiaries

	Mar 2024 £'000	Mar 2023 £'000	Mar 2022 £'000	Mar 2021 £'000	Mar 2020 £'000
Operating income	238,709	219,799	221,558	212,089	216,391
Operating surplus	13,933	4,799	1,063	4,590	2,430
Other (losses)/gains	(1,789)	(291)	79	(2,171)	(932)
Net finance income/(losses)	6,899	(629)	(2,004)	9,600	(4,798)
Surplus/(deficit) before tax	19,043	3,879	(862)	12,019	(3,300)
Tax	(779)	(984)	(2,324)	(1,802)	(917)
Surplus/(deficit) for the year	18,264	2,895	(3,186)	10,217	(4,217)
Recognition of actuarial (losses)/gains	(7,727)	(4,414)	15,704	(5,509)	10,285
Other comprehensive income excluding actuarial (losses)/gains	(732)	587	399	71	99
Total other comprehensive (losses)/income	(8,459)	(3,827)	16,103	(5,438)	10,384
Total comprehensive income/(losses)	9,805	(932)	12,917	4,779	6,167
Non-current assets	98,425	97,407	113,605	110,161	120,079
Current assets	124,557	107,168	112,944	122,639	106,333
Total assets	222,982	204,575	226,549	232,800	226,412
Non-current liabilities	13,251	11,590	26,254	47,304	51,765
Current liabilities	154,695	147,754	154,132	152,250	146,180
Total liabilities	167,946	159,344	180,386	199,554	197,945
Accumulated fund	55,115	44,578	45,709	33,579	28,871
Other reserves	(79)	653	454	(333)	(404)
Total funds and reserves	55,036	45,231	46,163	33,246	28,467
Total reserves and liabilities	222,982	204,575	226,549	232,800	226,412

Members and future members

	Mar 2024	Mar 2023	Mar 2022	Mar 2021	Mar 2020
Members	252,562	247,734	240,952	233,019	227,332
Future members	526,106	526,520	541,930	536,815	544,446
	778,668	774,254	782,882	769,834	771,778

All figures are reported based on the UK-adopted International Accounting Standards.

Foreword

These consolidated financial statements present the results for ACCA and its subsidiaries for the year ended 31 March 2024.

ACCA publishes an Integrated Report which provides a wide range of information about ACCA's strategy, governance, performance, and prospects to show how we create value for our stakeholders and explains the place we occupy in society.

As our Integrated Report is a wider representation of information which is important to understand ACCA's performance, we have elected not to produce a Management Commentary. The table below provides a comparison of the content of the Management Commentary with the Integrated Report to enable readers to locate specific information that may be of interest to them.

Management commentary – key headings	Content	Integrated report reference
Introduction	Context and basis of preparation	About ACCA and this year's report
Nature of ACCA's business	Purpose and values Competitive environment Economic environment Regulatory environment Products and services	About ACCA Our value creation model The global context, stakeholder engagement and materiality Our risks and their management Governance, leadership and people
Strategy and strategic outcomes	Strategic priorities Mapping priorities to outcomes	ACCA's strategy and 2023-24 performance The new ACCA strategy
Resources and relationships	Resources: financial, human and network; brand development Relationships: global partnerships, key employers, strategic partners, regulators	Our value creation model The global context, stakeholder engagement and materiality
Governance, risk and corporate assurance	Outline of our approach to governance Approach to risk management and major risk types	Our governance and leadership Our risks and their management
Strategic outcomes – review of performance	KPI results v target	ACCA's strategy and 2023-24 performance
Financial review*	Supplementary financial information	ACCA's strategy and 2023-24 performance
Social and environmental impact	Our approach to sustainability and significant developments	Delivering on sustainability and where material embedded in other sections throughout the Integrated Report
Outlook for next year	2024/25 strategic priorities	Where deemed material, we have included future prospects and actions throughout the report. ACCA's new strategy is also included

Readers of these financial statements are encouraged to access our Integrated Report, which can be found at: accaglobal.com

Read the **Integrated report** 

* Financial performance in the financial statements is provided in accordance with UK-adopted International Accounting Standards. ACCA measures its financial performance at surplus/(deficit) before tax.

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

ACCA's consolidated financial statements

Consolidated income statement for the year ended 31 March 2024

Notes		31 Mar 2024 £'000	31 Mar 2023 £'000
Income			
6	Operating income	238,709	219,799
Total income		238,709	219,799
Expenditure			
8	Operational expenditure	199,513	186,352
9	Strategic investment expenditure	25,263	28,648
Total expenditure		224,776	215,000
Operating surplus		13,933	4,799
10	Other losses	(1,789)	(291)
11(a)	Income from investments	7,560	545
11(b)	Finance costs	(661)	(1,174)
Surplus before tax		19,043	3,879
13	Tax	(779)	(984)
Surplus for the year		18,264	2,895

Jump to:

1 About ACCA
and this report

2 Our 2023-24
highlights

3 Leadership
messages

4 ACCA's strategy
and 2023-24
performance

5 Value creation
model

6 The global context,
stakeholders
and materiality

7 Delivering on
sustainability

8 Risks and their
management

9 Governance,
leadership
and people

10 The new ACCA
strategy, measures
and targets

**11 Financial
statements**

The accompanying notes to the financial statements, on pages 10 to 45 are an integral part of this statement.

Consolidated statement of other comprehensive income for the year ended 31 March 2024

		31 Mar 2024 £'000	31 Mar 2023 £'000
Notes			
	Surplus for the year	18,264	2,895
	Other comprehensive income		
	Items that will not be reclassified to income or expenditure		
22	Recognition of actuarial losses	(7,727)	(4,414)
21	Deferred tax on pension scheme asset	–	388
		(7,727)	(4,026)
	Items that will be subsequently reclassified to income or expenditure		
26	Currency translation differences	(732)	199
		(732)	199
	Other comprehensive loss for the year, net of tax	(8,459)	(3,827)
	Total comprehensive income/(loss) for the year	9,805	(932)

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements**

The accompanying notes to the financial statements, on pages 10 to 45 are an integral part of this statement.

Consolidated statement of financial position
as at 31 March 2024

Notes		31 Mar 2024 £'000	31 Mar 2023 £'000
	Assets		
	Non-current assets		
14	Property, plant and equipment	15,833	19,398
15	Intangible assets	1,075	1,279
16	Non-current financial assets	81,517	76,730
		98,425	97,407
	Current assets		
17	Trade and other receivables	33,064	28,505
16	Other current financial assets	48,525	47,995
18	Derivative financial instruments	55	52
19	Cash and cash equivalents	42,913	30,616
		124,557	107,168
	Total assets	222,982	204,575
	Reserves and liabilities		
	Funds and reserves		
	Accumulated fund	55,115	44,578
26	Currency reserve	(79)	653
	Total funds and reserves	55,036	45,231
	Non-current liabilities		
21	Deferred tax liabilities	–	–
20	Lease liabilities	7,659	10,719
22	Retirement benefit obligations	5,592	871
		13,251	11,590
	Current liabilities		
23	Trade and other payables	44,831	43,920
20	Lease liabilities	3,882	3,783
24	Deferred income	98,152	92,002
18	Derivative financial instruments	231	506
25	Provisions	7,599	7,543
		154,695	147,754
	Total liabilities	167,946	159,344
	Total reserves and liabilities	222,982	204,575

The financial statements were approved and authorised for issue by Council on 5/7/2024 and signed on its behalf by:



Ronnie Patton, President



Lock Peng Kuan, Chair of Audit Committee

The accompanying notes to the financial statements, on pages 10 to 45 are an integral part of this statement.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements**

Consolidated statement of changes in members' funds for the year ended 31 March 2024

	Currency reserve £'000	Accumulated fund £'000	Total funds £'000
Balance at 1 April 2022	454	45,709	46,163
Comprehensive income			
Surplus for the financial year	–	2,895	2,895
Other comprehensive income			
Currency translation	199	–	199
Recognition of net actuarial losses	–	(4,026)	(4,026)
Total other comprehensive income	199	(4,026)	(3,827)
Total comprehensive income for year	199	(1,131)	(932)
Balance at 31 March 2023	653	44,578	45,231
Comprehensive income			
Surplus for the financial year	–	18,264	18,264
Other comprehensive income			
Currency translation	(732)	–	(732)
Recognition of net actuarial losses	–	(7,727)	(7,727)
Total other comprehensive income	(732)	(7,727)	(8,459)
Total comprehensive income/(loss) for year	(732)	10,537	9,805
Balance at 31 March 2024	(79)	55,115	55,036

The analysis of reserves is presented in note 26.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements**

The accompanying notes to the financial statements, on pages 10 to 45 are an integral part of this statement.

Consolidated cash flow statement as at 31 March 2024

		31 Mar 2024 £'000	31 Mar 2023 £'000
Notes			
	Cash flows from operating activities		
30	Cash generated from operations	16,966	10,947
	Tax paid	(757)	(1,073)
	Net cash from operating activities	16,209	9,874
	Cash flows from investing activities		
14	Purchase of property, plant and equipment	(853)	(2,289)
15	Purchase of intangible assets	(144)	–
16	Purchase of financial assets	(59,881)	(69,186)
30	Proceeds from disposal of property, plant and equipment	273	4
16, 30	Proceeds from disposal of financial assets	59,205	65,818
11	Interest received	1,393	416
11	Dividends received	1,526	929
	Net cash generated from/(used in) investing activities	1,519	(4,308)
	Cash flows from financing activities		
20	Repayment of lease liabilities	(4,168)	(4,315)
20	Lease termination incentive payment	–	(4,000)
11	Interest paid	(138)	(456)
11	Interest expense on lease liabilities	(435)	(502)
11	Interest expense on dilapidations provision	(149)	(275)
	Net cash used in financing activities	(4,890)	(9,548)
	Net increase/(decrease) in cash and cash equivalents	12,838	(3,982)
	Cash and cash equivalents at beginning of year	30,616	34,340
	Exchange (losses)/gains on cash and cash equivalents	(541)	258
19	Cash and cash equivalents at end of year	42,913	30,616

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets

11 Financial statements

The accompanying notes to the financial statements, on pages 10 to 45 are an integral part of this statement.

1 General information

ACCA is a global professional accountancy body incorporated under Royal Charter with statutory recognition in the UK. Council has concluded that ACCA should prepare financial statements which comply with UK-adopted International Accounting Standards.

These financial statements are presented in pounds sterling because that is the currency of the parent undertaking which is domiciled in the UK. All values are rounded to the nearest thousand pounds. Non-UK operations are included in accordance with the policies set out in note 2.

New and amended standards that were effective during the year and changes in accounting policies

There were a number of narrow scope amendments to existing standards which were effective from 1 January 2023: none of which had a material effect on ACCA.

There have been no changes in accounting policies during the year.

New and revised IFRS in issue but not yet effective

As at 31 March 2024, the following new standards, interpretations and amendments were issued but not yet effective and have not been applied in these financial statements:

- **Amendments to IAS 1**
The amendments provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date.
- **Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)**
The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.
- **Definition of Accounting Estimates (Amendments to IAS 8)**
The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates.
- **Lease liability in a sale and leaseback (Amendments to IFRS 16)**
The amendments clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted as a sale.
- **Lack of exchangeability (Amendments to IAS 21)**
The amendments clarify when a currency is exchangeable and how to determine the exchange rate when it is not.
- **IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information**
The standard sets out how entities disclose information about their sustainability risks and opportunities.
- **IFRS S2 Climate-related Disclosures**
The standard sets out how entities disclose information about their climate-related risks and opportunities.

The new standards, interpretations and amendments are not expected to have a material effect on ACCA's future financial statements. No other amendments or standards had any impact on ACCA's financial statements for the current year.

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

2 Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and derivative instruments at fair value through profit or loss.

(b) Going concern

The financial statements have been prepared on a going concern basis.

Council Board has assessed the viability of ACCA over a three-year period through the review and approval of the annual budget and three-year projections ("plan"). The plan includes forecast income statements, forecast statements of financial position, cash flow forecasts and key non-financial drivers of performance.

Scenarios were created to test the resilience of ACCA's plan and understand key financial risks, such as a reduction in exam volumes sat, reduction in the retention of members and future members, and the impact of a material increase in the costs to deliver our strategic investments.

ACCA holds cash and investment reserves and has access to an overdraft facility to support any unexpected challenges to the plan, which it has not had to draw on during 2023/24.

In the realistic worst-case scenario, the lowest value of cash is £6.2m at November 2024. At this point, ACCA would still have the option to initiate proactive cash management, utilise the overdraft facility and have access to its significant financial investments.

In the reverse stress test scenario, created to understand conditions necessary for ACCA to exhaust its financial reserves, it was necessary to forecast a 60% reduction in exam volumes, a 10% reduction in retention and significant cost overruns across operational expenditure. In this scenario ACCA depleted its cash reserves in October 2025. No allowance was made for corrective action to maintain budgetary control.

ACCA has policies and processes in place to manage its cash reserves and regularly considers its corporate risks in the context of exposure to liquidity risk. Council Board believes that ACCA has sufficient financial resources to manage its business risks given the current market conditions and as a result, the going concern basis is considered appropriate. Consequently, Council has a reasonable expectation that ACCA has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties about its ability to continue as a going concern.

(c) Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires ACCA to make certain accounting estimates and judgements that have an impact on the policies and the amounts reported in the consolidated financial statements. Estimates and judgements are continually evaluated and based on historical experiences and other factors, including expectations of future events that are believed to be reasonable at the time such estimates and judgements are made. Actual experience may vary from these estimates.

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

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

2 Significant accounting policies (continued)

(c) Critical accounting estimates and judgements (continued)

i) Pension and other post-employment benefits

ACCA accounts for pension and other post-employment benefits in accordance with IAS 19. In determining the pension cost and the defined benefit asset/obligation of ACCA's defined benefit pension schemes, a number of assumptions are used which include the discount rate, salary growth, price inflation, the expected return on the schemes' investments and mortality rates. Further details are contained in note 22 to the consolidated financial statements.

Management have considered the extent to which a pension asset should be recognised under IAS 19 and IFRIC 14 which require an entity to limit the measurement of a net defined benefit asset to the lower of the surplus in the defined benefit scheme and the asset ceiling, defined to be the present value of economic benefits available in the form of refunds from the scheme or reductions to future contributions. Under IFRIC 14, a refund is available to an entity if the entity has an unconditional right to a refund. Management use advice of external experts to categorise the pension assets within the fair level hierarchy.

Management have taken advice to understand the circumstances under which any surplus assets might not be refunded to ACCA and have made the judgement that the possible circumstances under which any scheme surplus might not be refunded to ACCA, such as wind-up of the scheme, augmentation of benefits, amendment to scheme rules, are within the control of ACCA for the UK Scheme but not for the Irish Scheme. Therefore where it is considered that ACCA has an unconditional right to a refund assuming the gradual settlement of scheme liabilities over time until all members have left the scheme it is appropriate to recognise the full surplus as a pension asset in the statement of financial position.

ii) Taxation

ACCA is required to estimate the income tax in each of the jurisdictions in which it operates. This requires an estimation of the current tax liability together with an assessment of the temporary differences which arise as a consequence of different accounting and tax treatments. These temporary differences result in deferred tax assets or liabilities which are included in the statement of financial position. Deferred tax assets and liabilities are measured using tax rates substantially enacted by statement of financial position date expected to apply when the temporary differences reverse. ACCA operates in many countries in the world and is subject to many tax laws and regulations. Where the precise impact of these laws and regulations is unclear then reasonable estimates may be used to determine the tax charge included in the financial statements. Estimates may also be used in relation to any indirect international sales taxes which are payable. If the tax eventually payable or reclaimable differs from the amounts originally estimated, then the difference will be charged or credited in the financial statements of the year in which it crystallises.

iii) Revenue recognition

ACCA's main income is derived from subscriptions and examination fees. As ACCA's subscription year is not coterminous with the financial year, ACCA has processes in place to ensure that the recognition of those income streams is in the correct period. In addition, there are processes in place to ensure that exam fee income received in advance of providing the exam is deferred into the relevant period, and that subscription income for the year is recognised as appropriate. Subscriptions are raised to all registered members and future members each year and it is accepted that a proportion will not renew. An adjustment to income is made each year which reflects the anticipated value of subscription and exemption revenue which does not meet the criteria for recognition under IFRS 15.

iv) Provision for credit loss

ACCA applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging. The expected loss rates are based on ACCA's historical credit losses experienced over previous periods. The historical loss rates are then adjusted for current and forward-looking factors affecting ACCA's customers.

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

2 Significant accounting policies (continued)

(c) Critical accounting estimates and judgements (continued)

v) Leased assets

ACCA applies IFRS 16 to account for its right-of-use assets and the related lease liabilities. ACCA assesses whether or not a rental contract contains a lease, whether or not an extension option will be exercised, whether or not a termination option will not be exercised and whether or not variable lease payments are truly variable or in-substance fixed. ACCA will use its judgement when making these assessments and will consider all facts and circumstances. In applying IFRS 16, ACCA calculates the appropriate incremental borrowing rate to use, estimates the lease term and estimates variable lease payments dependant on an index or rate as appropriate.

(d) Income

Income as presented in the consolidated income statement is revenue as defined under IFRS 15 – Revenue from Contracts with Customers. The following accounting policies relate to ACCA's key income streams as determined by IFRS 15's five step model.

- Members' and future members' subscriptions are recognised over time in the year to which they relate.
- Member admission fees are accounted for as income from the date on which the member is admitted to the date of the member's first annual subscription.
- Future member registration fees are accounted for as income from the date of registration to the date of the future member's first annual subscription.
- Income from qualifications and examinations relate to examination and exemption income from the professional qualification and our entry level qualifications. Examination fees are accounted for in the period in which the related exam session took place, while exemption income is accounted for in the period in which it was awarded.
- Income generated from publications relates to royalties, advertising and mailing services. Royalties receivable in respect of the assignment, to third parties, of copyrights in educational publications are accounted for as income in the period in which the underlying sales take place.
- Course income is accounted for as the services are performed.
- Income from regulation and discipline relates to annual licence fees, monitoring visit fees and fines recoverable, and all are accounted for as income in the period to which they relate.
- Other income is recorded as earned or as the services are performed.

(e) Basis of consolidation

The consolidated financial statements comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in members' funds, and consolidated cash flow statement of ACCA and its subsidiaries (the group) as if they formed a single entity drawn up to 31 March 2023 and 31 March 2024. Where ACCA has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. Inter-company transactions and balances between group companies are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(f) Property, plant and equipment

All property, plant and equipment is initially recorded at cost. Cost includes all expenditure directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

2 Significant accounting policies (continued)

(g) Depreciation

Depreciation is provided on all property, plant and equipment at rates calculated to write-off the cost or valuation, of each asset on a straight-line basis over its expected useful life, as follows:

- leasehold improvements - over the shorter of their estimated useful economic lives and the remaining lease term,
- plant and equipment - over 4 to 7 years,
- computer systems and equipment - over 2 to 4 years.

(h) Intangible assets

Intangible assets are initially measured at cost. Following initial recognition, intangible assets are carried at cost less:

- any accumulated amortisation; and
- any accumulated impairment losses.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from ACCA's development projects and other intangible assets are recognised only if all the following conditions are met:

- it is technically feasible to complete the product so that it will be available for use;
- the intention is to complete the product for internal use or to sell it;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred. Directly attributable costs that are capitalised include project employee costs and an appropriate portion of relevant overheads. Development expenditure previously recognised as an expense is not recognised as an asset in a subsequent period. Other intangible assets include development projects where the majority of the costs are the purchase of materials and services to help support the implementation of the internally generated intangible assets. The internally generated and other intangible assets are amortised over their estimated useful lives, which are usually between four and seven years. Amortisation begins when the intangible asset is available for use.

(i) Financial instruments

Financial instruments recognised in the statement of financial position include cash and cash equivalents, financial assets, derivative financial instruments, trade and other receivables and trade and other payables. Financial instruments are initially valued at fair value. Financial assets are derecognised when the rights to receive cash flows from the asset have expired. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires. After initial recognition, financial instruments are measured as set out below.

Trade and other receivables

Trade and other receivables are initially recognised at their transaction price. Subsequent to initial recognition, these are measured at amortised cost less expected credit losses. Estimating the expected credit loss is made in accordance with IFRS 9 using the simplified approach to lifetime expected credit loss using supportable information that is based on the historical credit loss experience adjusted for current conditions. The assessment considers geography, customer segment and product type. Trade and other receivables are written off when ACCA has no reasonable expectations of recovering the amounts. Terms on receivables balances range from 30 to 90 days.

Trade and other payables

Trade and other payables are recognised at their transaction price. Terms on trade payables balances range from immediate to 30 days.

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

2 Significant accounting policies (continued)

(i) Financial instruments (continued)

Financial assets

The portfolio of investments, which includes property funds, is managed by professional fund managers, held for the long term and classified as financial assets. An equity instrument measured at fair value through profit or loss (FVTPL) is recognised initially at fair value directly attributable to the financial asset. After initial recognition, the asset is measured at fair value at the statement of financial position date. Unrealised and realised changes in fair value are included as “finance income” in the consolidated income statement. When the financial assets are sold the gain or loss from fair value changes will be shown in the consolidated income statement. Dividends from such investments continue to be recognised in the consolidated income statement as finance income when the group’s right to receive payments is established.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand and short-term deposits with banks and similar institutions, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. This excludes cash funds, which are classified as other current financial assets as they are subject to changes in value due to being daily priced. Short-term is defined as being three months or less. This definition is also used for the cash flow statement.

Cash funds and cash deposits

The portfolio of cash funds, which is managed by professional investment fund managers, and cash deposits are held for the short to medium term and are classified as other current financial assets. The investments in the cash funds are carried at fair value, stated as market value as at the statement of financial position date, with all changes in fair value being recognised through profit or loss in the consolidated income statement. When the cash funds are sold the gain or loss from fair value changes will be shown in the consolidated income statement within finance income. Cash deposits are measured at cost.

Financial liabilities

All financial liabilities are classified as measured at amortised cost using the effective interest method or at FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading, it is a derivative, or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses, and gains and losses on derecognition are recognised in profit or loss. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

(j) Impairment of financial assets

IFRS 9 established an approach for the impairment of loans and trade receivables, an expected loss model which focuses on the risk that a debt will default rather than when a loss has been incurred. Under the “expected credit loss” model, an entity calculates the allowance for credit losses by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. ACCA has opted to use the simplified approach measuring expected credit losses using a lifetime expected credit loss for trade receivables.

(k) Impairment of non-financial assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, ACCA makes an estimate of the asset’s recoverable amount.

An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use.

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA’s strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

2 Significant accounting policies (continued)

(f) Leased assets

At the inception of a contract, ACCA assesses whether a contract is, or contains, a lease. To assess whether a contract contains a lease, ACCA considers whether the contract conveys the right to control or use an identified asset by:

- the contract involves the use of an identified asset either explicitly or implicitly. The asset should be physically distinct or represent substantially all the capacity of the asset. If the supplier has the right of substitution, then the asset is not identified,
- ACCA has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use,
- ACCA has the right to direct the use of the asset. ACCA has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

At inception or reassessment of a lease of land or buildings, ACCA has elected to separate non-lease components and account for the lease and non-lease components separately.

Any lease incentive paid to third parties in relation to a modification or termination of lease contracts are immediately charged to the consolidated income statement as they are not deemed to be part of any lease payment and do not impact the right-of-use asset or the lease creditor.

As a lessee

ACCA recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the initial lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily identified, the Bank of England weighted monthly average index rate for non-financial institutions.

Lease payments included in the measurement of the lease liability comprise:

- fixed payments,
- variable lease payments that depend on an index or rate, and
- lease payments in an optional renewal period if ACCA is reasonably certain to exercise that option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if ACCA changes its assessment of whether it will exercise a purchase, extension or termination option.

When a lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the consolidated income statement if the carrying amount of the right-of-use asset has been reduced to zero.

ACCA presents right-of-use assets in 'property, plant and equipment' and lease liabilities within its own section in the consolidated statement of financial position.

Short-term leases and leases of low-value assets

ACCA has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. ACCA recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

2 Significant accounting policies (continued)

(m) Tax

Tax includes all taxes based upon the taxable profits of the group. Deferred taxation is made on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax movements in respect of unrealised revaluation gains are taken to the consolidated income statement. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Current and deferred tax relating to the recognition of any pension surplus are taken to other comprehensive income.

(n) Foreign currencies

Transactions in foreign currencies are converted into sterling, which is the presentational currency of the group, at exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, including the financial statements of the non-UK subsidiary undertakings and non-UK branches, are translated at the rate of exchange ruling at the statement of financial position date. On consolidation, the income and expenditure items of the non-UK subsidiary undertakings are translated at the average exchange rates for the period. Exchange differences on the translation of the assets and liabilities of the non-UK subsidiary undertakings and the non-UK branches are taken to the currency reserve.

(o) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at the statement of financial position date. ACCA enters into forward currency contracts, whereby the exchange rate is agreed in advance and the currency is bought on a monthly basis. ACCA's forward currency contracts are classified as current assets or current liabilities as the maturity of the contracts are less than 12 months. Gains and losses on forward exchange contracts are recognised in the consolidated income statement at fair value. ACCA does not engage in any other hedging activities.

(p) Provisions

Provisions for costs are recognised when either a legal or constructive obligation as a result of a past event exists at the statement of financial position date, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

(q) Pensions – Defined benefit schemes

ACCA has two closed defined benefit pension schemes, one in the UK and one in Ireland. Both schemes require contributions to be made to separately administered funds. Retirement benefits are accounted for under IAS 19 – Employee benefits (revised). The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each statement of financial position date. The present value of the defined benefit obligations is determined by discounting the estimated cash flows derived from yields of high-quality corporate bonds that have terms to maturity which approximate to the terms of the related pension liability. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise. The net asset/liability recognised in the statement of financial position in respect of the schemes is the net of the present value of the defined benefit obligation and the fair value of plan assets at the end of the reporting period. Where the fair value of the plan assets exceeds the present value of the obligation, the asset recognised in the statement of financial position is measured as the lower of the net asset value and any cumulative unrecognised net actuarial losses and past service cost plus the present value of any economic benefits available in the form of refunds from the schemes or reductions in future contributions to the schemes. Interest on the liability is calculated using the discount rate and is recognised immediately in the consolidated income statement. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated income statement as past service costs.

The assets of both schemes are held separately from those of ACCA and are measured using market values. For quoted securities, the market price is taken as the bid price.

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

2 Significant accounting policies (continued)

(r) Pensions – Defined contribution schemes

ACCA operates defined contribution pension schemes for qualifying employees. Contributions are charged in the consolidated income statement as they become payable in accordance with the rules of the schemes. ACCA has no further payment obligations once the contributions have been paid.

(s) Contingent liabilities

Contingent liabilities are not recognised in the financial statements. They are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent liability exists when a possible obligation which has arisen from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of ACCA, or when a present obligation that arises from past events is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

(t) Reserves policy

The Accumulated Fund includes all current and prior period retained surpluses and deficits.

3 Financial risk management

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

Credit risk management

Credit risk arises principally from cash and cash equivalents, deposits with banks and financial institutions, investments in pooled cash funds, derivative financial instruments and trade receivables. ACCA regularly monitors and reviews its exposure with key banking and investment manager suppliers, and for deposits, only independently rated banks and financial institutions with a minimum rating of 'A' are used. For working capital balances ACCA considers a figure of £20m per bank and £25m per pooled cash fund to be sufficient although this can be exceeded around times of high activity such as collection of subscription and exam income. ACCA's trade receivables relate substantially to members' and future members' fees and subscriptions. The credit risk is that the customer fails to discharge its obligation in respect of the instrument. ACCA has no significant concentration of credit risk, with exposure spread over a large number of customers and countries throughout the world and a requirement to pay in advance for exams. ACCA believes that the maximum exposure equates to the carrying value of trade and other receivables. Management reviews the trade receivables balance on a regular basis and undertakes an exercise to remove members and future members from the receivables ledger and members' register for non-payment of annual fees and subscriptions. The level of removals is shown in notes 12 and 17 of the consolidated financial statements. At the statement of financial position date 92.9% of ACCA's trade and other receivables were held in sterling (2023: 95.5%).

Liquidity risk

Liquidity risk arises from ACCA's management of working capital. It is the risk that ACCA will encounter difficulty in meeting its financial obligations as they fall due. ACCA manages its liquidity risk by ensuring that it has adequate banking facilities and by performing cash flow forecasting on a regular basis. ACCA receives the majority of its income as subscriptions at the start of the calendar year, and as exam fees, relating to four exam sessions each year. Cash not required for short-term operating purposes is invested to maximise return with an acceptable level of risk. In addition to its own bankers, ACCA spreads the risk by using a specialist investment manager, and currently invests in cash fund products with that company. Cash surpluses are invested in interest bearing current and call accounts, term deposits, time deposits and short-term cash funds. At the statement of financial position date, ACCA held £48.5m (2023: £30.0m) in short-term cash funds, £23.3m (2023: £18m) in cash deposits and £19.6m (2023: £30.6m) in call accounts that are expected to readily generate cash inflows for managing liquidity risk. All term and time deposits are due in less than one year. Liquidity is managed to ensure investments are liquidated in a timely manner to meet operating requirements.

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

3 Financial risk management (continued)

Market risk

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

Interest rate risk relates to the risk of loss due to fluctuations in cash flows and the fair value of financial assets and liabilities (including the pension scheme liabilities), due to change in market interest rates. ACCA invests surplus cash in the short-term and in doing so exposes itself to the fluctuation in interest rates that are inherent in such a market. A movement in the interest rate of 1.5% either way would not have a material effect on the surplus reported in the financial statements. As ACCA utilises forward currency contracts to manage exchange rate movements, it does not consider foreign currency movements to have a material impact in the surplus reported in the financial statements.

Currency risk relates to the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange risk. ACCA operates internationally and is exposed to foreign currency exchange risk arising from the transfer of foreign currency to its national offices as well as geopolitical uncertainty. Where possible, ACCA will allow the national offices to settle liabilities denominated in their functional currency with the cash generated from their own operations in that currency. However, many national offices have insufficient reserves of their functional currency and rely on transfers of foreign currency from ACCA. ACCA mitigates the risk with regards to income because the vast majority of fees and subscriptions charged by ACCA are in sterling. In addition, ACCA uses forward currency contracts to mitigate the risk of currency fluctuations. At the statement of financial position date 83% of ACCA's cash and cash equivalents were held in sterling (2023: 68%).

Other price risk relates to the risk of changes in market prices of the non-current and current financial assets and the investments held by the defined benefit pension schemes. ACCA invests in a variety of funds operated by different investment managers and in doing so exposes itself to the fluctuations in price that are inherent in such a market. The effect of a 10% increase in the value of the non-current financial assets held at the statement of financial position date would have resulted in an increase in the fair value gains of £6.1m (2023: £5.8m) net of deferred tax. A 10% decrease in their value would, on the same basis, have resulted in the increase in the fair value losses by £6.1m (2023: £5.8m).

Other risks in relation to the impact of inflation and other macro-economic issues

Inflation and other macro-economic issues have impacted the global economy. They have impacted ACCA with regards to all the above-mentioned risks in the following ways:

- Credit risk – due to inflationary pressures around the world there has been a risk that members and future members would be unable to pay subscriptions, exam fees etc. ACCA monitors payments regularly and revises its retention targets as appropriate. By the year-end all key markets, apart from China, exceeded the retention targets.
- Liquidity risk – ACCA has experienced growth in member numbers and increased revenue due to price increases. This positive liquidity has meant that there has been no requirement to dispose of investments to maintain liquidity and in February 2023 ACCA terminated its loan facility early. As part of its going concern assessment ACCA has continued to look at various scenarios, prepared a revised budget and maintained an overdraft facility of £2.5m with its main banker, Barclays Bank plc. Due to positive retention and successful concerted efforts to reduce costs over the previous years, ACCA has not required to draw down on the facility during the year ended 31 March 2024.
- Market risk – ACCA continues to review its investment strategy annually and invests in a diversified portfolio of investment funds to reduce volatility, mitigate risk and increase its exposure to ESG investing. The portfolio incurred gains of around £4.6m during the year ended 31 March 2024 (2023: losses of £0.8m).

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

4 Income and expenditure reporting

ACCA reports its income by product type but not by region or activity. It does not report expenditure by region, activity or product type.

During the year ACCA's income activities were organised by category: Admission and registration fees, subscriptions, examinations, exemptions, regulation and discipline and other income. These are ACCA's categories reported internally for income purposes and are detailed in notes 6 and 7. Short descriptions of the main categories are as follows:

- Admission and registration: Members' admission fees and future members' initial registration fees
- Subscriptions: Members' and future members' annual subscriptions for the relevant period
- Examinations: Examination fees for the relevant session within the financial year for the main ACCA qualification and other qualifications
- Exemptions: Exemption income from future members for the Professional and other qualifications
- Regulation and discipline: Audit, practice and other certificates
- Other income: Member and future member engagement, advertising, Continuing Professional Development (CPD) income, locally generated markets income and sponsorship

Expenditure is reported internally by function and these are detailed in notes 8 and 9. Short descriptions of the expenditure categories are as follows:

- Corporate: pension costs, depreciation, Executive Board, credit card charges, global redundancy provisions
- Content, Quality and Innovation: delivery of strategic outcomes, corporate training, market research, brand management, public relations, publishing, technical policy and research, development and maintaining of qualifications, ensuring the integrity of the syllabus and of the examination process, verifying and awarding exemptions and setting and scrutiny of exam papers
- Relationships: Staff, operational and corporate marketing and promotional costs of ACCA's global operations and IFAC costs
- Strategy and Governance: Regulation of members, secretariat, professional conduct, practice monitoring, legal services and internal audit
- People and Transformation: Human Resources, corporate recruitment and talent and capability
- Finance and Operations: IT, finance and procurement, member and future member support, examinations, service improvements
- Strategic investment: Digital transformation, exam delivery, strategic efficiency, workplace transformation, meet compliance, continuous learning, market adoption and portfolio management

5 Capital

ACCA considers its capital to be its accumulated fund and its other reserves. Council's financial objective is to generate a targeted operating position, to build and maintain reserves at a sustainable level, taking into account the various competitive risks. ACCA also aims to achieve additional long-term growth in reserves through the active management of the investment portfolio. A three-year financial plan has been developed which, over the period of the plan, targets an agreed level of accumulated fund. At 31 March 2024, the accumulated fund represented 72 days of operating expenditure (31 March 2023: 62 days) which is above the long-term target of 60 days. This reflects the better than forecast result resulting mainly from reduced operating expenditure.

Council has reviewed its liquidity measure and has agreed that it will maintain a level of liquid reserves to cover ACCA's exposure to corporate risks that would result in a consequential loss to ACCA which could reduce overall financial strength and create a risk that ACCA was unable to settle liabilities as they fall due. Liquid reserves are defined as the total of cash, liquid short-term and long-term investments, less any short-term borrowing. Any investments in illiquid funds or securities, e.g. property funds, will be excluded from this classification. ACCA's Council Board reviews the financial position of ACCA at each board meeting.

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

Notes to the financial statements for the year ended 31 March 2024

	31 Mar 2024 £'000	31 Mar 2023 £'000
6 Operating income		
<i>Met over time</i>		
Admission and registration fees	13,039	12,559
Subscriptions (see note 7)	111,438	105,144
Regulation and discipline	7,313	6,620
<i>Point in time</i>		
Examinations	83,826	77,158
Exemptions	14,749	12,039
Other income	8,344	6,279
	238,709	219,799
7 Subscriptions		
Members	61,416	56,971
Future members	50,022	48,173
	111,438	105,144
8 Operational expenditure		
Corporate	15,081	17,102
Content, Quality and Innovation	35,343	27,598
Relationships	28,936	31,416
Strategy and Governance	21,494	18,014
People and Transformation	12,249	12,445
Finance and Operations	86,410	79,777
	199,513	186,352
9 Strategic investment expenditure		
Digital Transformation	18,924	20,530
Exams Delivery	1,623	3,838
Strategic Efficiency	1,917	1,478
Workplace Transformation	1,386	1,153
Meet Compliance	990	292
Continuous Learning	–	183
Market Adoption	–	32
Portfolio Management	423	1,142
	25,263	28,648

Strategic investment expenditure relates to project costs within each category, and once a project has reached completion then any ongoing expenditure is treated as operational. The Digital Transformation programme continues to transform the core business systems following the successful delivery of Dynamics 365 F&O. The Exams Delivery programme is developing our exams platform to ensure it remains relevant to our future members. The Strategic Efficiency project was initiated to consider changes necessary within ACCA's operational environment to maintain financial sustainability. Workplace Transformation relates to the costs involved by ACCA to embrace digital technology to be able to thrive in a rapidly changing world.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

Notes to the financial statements
for the year ended 31 March 2024

	31 Mar 2024 £'000	31 Mar 2023 £'000
10 Other (losses)/gains		
Forward currency contracts	278	(960)
Net foreign exchange (losses)/gains	(2,067)	669
	(1,789)	(291)
11 Income/(losses) from investments and finance costs		
(a) Income/(losses) from investments		
Interest receivable	1,393	416
Dividends from investments	1,526	929
Realised gains/(losses) on disposals of investments	477	(789)
Unrealised gains/(losses) on change of fair value of investments	4,164	(11)
	7,560	545
(b) Finance costs		
Net finance interest on defined benefit pension schemes	61	59
Interest expense for leasing arrangements	(435)	(502)
Interest expense for dilapidations provision	(149)	(275)
Other interest payable	(138)	(181)
Non-utilisation fee	–	(275)
	(661)	(1,174)

The non-utilisation fee in the prior year related to fees payable to Barclays Bank for the provision of a £25m loan facility supported by the UK Government's CLBIL scheme. ACCA gave notice to Barclays on 8 February 2023 to terminate the facility.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements**

Notes to the financial statements for the year ended 31 March 2024

Jump to:

1 About ACCA
and this report

2 Our 2023-24
highlights

3 Leadership
messages

4 ACCA's strategy
and 2023-24
performance

5 Value creation
model

6 The global context,
stakeholders
and materiality

7 Delivering on
sustainability

8 Risks and their
management

9 Governance,
leadership
and people

10 The new ACCA
strategy, measures
and targets

11 Financial
statements

12 Surplus before tax

Surplus before tax includes the following:

(a) Salaries and related costs

The costs of employing staff during the year were as follows:

	31 Mar 2024 £'000	31 Mar 2023 £'000
Salaries	69,013	66,688
Social security costs	8,190	7,645
Pension costs (note 22)	6,999	6,696
Other staff costs	2,379	1,450
	86,581	82,479

Average number of staff employed during the year

Employees	1,331	1,327
Full-time equivalents	1,310	1,300

The average annual salary per employee was £51,850 (31 March 2023: £50,255). The figures above include the salaries and bonuses payable to the Executive Board (see note 27 for more details).

(b) Income

Income from subscriptions, examination and exemption fees amounting to £210.0m (31 March 2023: £194.3m) is stated net of adjustments to revenue relating to the non-renewal of subscriptions and exemptions amounting to £17.4m (31 March 2023: £14.9m).

(c) Depreciation, amortisation and foreign exchange (gains)/losses

Depreciation of property, plant and equipment (note 14)	5,351	6,325
Amortisation of intangible assets (note 15)	348	701
Foreign exchange losses/(gains)	2,066	(669)

(d) Auditors' remuneration

Fees payable to ACCA's auditor, Grant Thornton UK LLP, for the audit of

– the parent undertaking and consolidated financial statements	142	130
– UK subsidiaries and charities	89	31
– the ACCA Staff Pension Scheme	13	12
	244	173

Fees payable to member firms of Grant Thornton International Ltd for audit and other non-audit services

– audit of non-UK subsidiaries	7	7
– taxation services in China	12	14
– non-audit services in China	5	7
– taxation services in Vietnam	22	–
	46	28

Fees payable to ACCA's other auditors for

– audit fees for non-UK subsidiaries and charities	99	75
– audit fees for the corporate KPIs	6	5
	105	80

Notes to the financial statements for the year ended 31 March 2024

13 Tax

The amounts charged in the statement of comprehensive income are as follows:

	31 Mar 2024 £'000	31 Mar 2023 £'000
Current income taxes at 25% (2023: 19%) on the surplus for the year (Over)/underprovision in respect of prior year	868 (89)	891 93
	779	984

The current tax charge is split as follows:

Domestic	56	393
Foreign	723	591
	779	984

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Factors affecting the tax charge for the year		
Surplus before tax	19,043	3,879

Surplus before tax multiplied by the standard rate of UK Corporation tax of 25% (2023: 19%)	4,761	737
---	--------------	-----

Effects of:		
(Over)/underprovision in prior years	(89)	93
Overseas withholding taxes suffered as a deduction	498	682
Non-taxable income	(2,801)	(1,035)
Expenditure not deductible for tax purposes	212	522
Group relief	(1,383)	–
Deferred tax asset not recognised	(419)	28
Double tax relief	–	(2)
Deferred tax – overseas	–	(41)
	(3,982)	247

Total tax charge	779	984
-------------------------	------------	------------

The tax charge arises from non-mutual trading profits, investment income and gains on disposal of investments, where applicable. The subsidiary companies pay local tax based on their country of operation and this has been included in the current tax calculations.

A change to the main UK corporation tax rate, announced in the UK budget on 3 March 2021, was substantively enacted for IFRS and GAAP purposes on 10 June 2021. The rate applicable from 1 April 2023 increased to 25%. The effect of this change has been included in the financial statements where relevant.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets

11 Financial statements

Notes to the financial statements for the year ended 31 March 2024

14 Property, plant and equipment

	Property £'000	Leasehold improve- ments £'000	Plant & equipment £'000	Computer systems & equipment £'000	Total £'000
Cost or valuation					
At 31 March 2022	51,542	11,957	5,881	21,830	91,210
Additions	2,869	1,866	67	356	5,158
Disposals	(23,852)	(3,249)	(513)	(91)	(27,705)
Exchange difference	(54)	(28)	(38)	(50)	(170)
At 31 March 2023	30,505	10,546	5,397	22,045	68,493
Additions	1,586	264	87	379	2,316
Disposals	(2,628)	(303)	(174)	(166)	(3,271)
Exchange difference	(469)	(237)	(171)	(71)	(948)
At 31 March 2024	28,994	10,270	5,139	22,187	66,590
Accumulated depreciation					
At 31 March 2022	26,558	6,054	5,005	20,253	57,870
Depreciation charge	4,323	840	483	679	6,325
Eliminated on disposals	(12,678)	(1,694)	(480)	(80)	(14,932)
Exchange difference	(49)	(41)	(41)	(37)	(168)
At 31 March 2023	18,154	5,159	4,967	20,815	49,095
Depreciation charge	3,671	840	205	635	5,351
Eliminated on disposals	(2,396)	(296)	(166)	(160)	(3,018)
Exchange difference	(254)	(213)	(150)	(54)	(671)
At 31 March 2024	19,175	5,490	4,856	21,236	50,757
Carrying amount					
At 31 March 2024	9,819	4,780	283	951	15,833
At 31 March 2023	12,351	5,387	430	1,230	19,398

Depreciation of £5.4m (2023: £6.3m) is included in both operational and strategic investment expenditure.

ACCA leases assets for its operations and these are treated as right-of-use assets. Included in the net carrying amount of property, plant & equipment are right-of-use assets over the following

Property	£'000
	9,819

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

Notes to the financial statements for the year ended 31 March 2024

15 Intangible assets

	Internally generated intangible assets £'000	Third party intangible assets £'000	Total funds £'000
Cost			
At 1 April 2022	27,287	5,306	32,593
Disposals	(9,684)	(3,092)	(12,776)
At 31 March 2023	17,603	2,214	19,817
Additions	–	144	144
At 31 March 2024	17,603	2,358	19,961
Accumulated amortisation and impairment			
At 1 April 2022	26,859	3,754	30,613
Amortisation charge	129	572	701
Eliminated on disposal	(9,684)	(3,092)	(12,776)
At 31 March 2023	17,304	1,234	18,538
Amortisation charge	76	272	348
At 31 March 2024	17,380	1,506	18,886
Carrying amount			
At 31 March 2024	223	852	1,075
At 31 March 2023	299	980	1,279

Intangible assets relate to internally generated development costs and other third-party costs for the delivery of the qualification and digital transformation. ACCA only capitalises items as intangible when the costs meet the criteria for capitalisation under IAS 38 and the IFRIC relating to *Configuration or Customisation Costs in a Cloud Computing Arrangement*.

All intangible assets have remaining amortisation periods of between three and four years.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

Notes to the financial statements
for the year ended 31 March 2024

Jump to:

16 Financial assets

At valuation

	31 Mar 2024 £'000	31 Mar 2023 £'000
At 1 April	124,725	122,157
Additions	59,881	69,186
Disposals	(58,728)	(66,607)
Unrealised gains/(losses) transferred to income and expenditure	4,164	(11)
At 31 March	130,042	124,725
Historical cost of tradable investments	122,814	122,046

Financial assets, comprising units in Baillie Gifford's Sustainable Growth Fund, Adept Investment Management's Fixed Income, Active Diversifier, Diversified Assets, Sustainable Multi Asset Credit and Diversified Liquid Credit Funds, BentallGreenOak's UK Debt II and III Property Funds, and cash funds held by Royal London Asset Management, are fair valued annually at the close of business on the statement of financial position date. Wherever possible, fair value is determined by reference to Stock Exchange quoted bid prices or to the Fund Manager's closing single price on a single swinging price basis. Financial assets are classified as non-current assets unless they are expected to be realised within twelve months of the statement of financial position date.

Concentration of financial assets

Non-current

UK equities	350	257
Overseas equities	10,434	9,451
Fixed interest government bonds	220	2,086
Fixed interest non-government bonds	19,619	19,296
Inflation-linked bonds	8,796	8,527
Absolute return	3,404	5,381
Multi asset credit	15,729	7,547
Property and property debt	7,170	7,460
Alternatives	7,123	10,113
Total return	1,529	1,981
Cash and deposits	7,143	4,631
	81,517	76,730

Current

Cash funds	48,525	29,995
Cash deposits	–	18,000
	48,525	47,995

	130,042	124,725
--	---------	---------

Financial assets are denominated in the following currencies

UK Pound	125,565	118,522
US Dollar	2,493	3,868
Euro	591	320
Japanese Yen	561	1,337
Other currencies	832	678
	130,042	124,725

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

16 Financial assets (continued)

ACCA monitors its exposure by way of regular reports from each of the investment managers, who have discretionary management of the funds they hold within the investment portfolio.

Fair value hierarchy

ACCA classifies financial instruments measured at fair value in financial assets according to the following hierarchy:

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

ACCA's financial assets are classified by the fair value hierarchy as follows:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
At 31 March 2023				
Quoted equity	53	–	–	53
Observable inputs	47,995	69,217	–	117,212
Unobservable inputs	–	–	7,460	7,460
Total	48,048	69,217	7,460	124,725
At 31 March 2024				
Quoted equity	57	–	–	57
Observable inputs	48,525	74,290	–	122,815
Unobservable inputs	–	–	7,170	7,170
Total	48,582	74,290	7,170	130,042

The investment managers have provided information as to which classifications each of the investment funds fall into. Council has reviewed and assessed those views of the classifications and judged that the disclosures are applicable. Council has relied on the investment managers' expertise as being well-respected investment fund managers to be able to provide that view of the classification of these investments.

Financial assets classified within level 3 have unobservable inputs as they trade infrequently. They relate to investments in two property debt funds managed by BentallGreenOak. Valuations are provided quarterly by the fund manager which are based on the underlying loan terms existing at the reporting date agreed by the fund manager and the investors. They are valued at net asset value as per the financial statements of the funds. A sensitivity analysis for level 3 positions has not been presented as it has been deemed that the impact of reasonable changes in inputs would not be significant.

Commitments

As part of its investment strategy ACCA has invested in two property debt funds managed by BentallGreenOak. Investments are made on a piecemeal basis and Council has approved investment of up to £10m in property funds directly. At the statement of financial position date ACCA had a potential commitment to invest a further £2.8m (2023: £2.5m) in the BentallGreenOak property debt funds.

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

Notes to the financial statements
for the year ended 31 March 2024

Jump to:

17 Trade and other receivables

	31 Mar 2024 £'000	31 Mar 2023 £'000
Trade receivables	24,149	20,264
Expected credit loss allowance	(3,317)	(1,913)
Trade receivables – net	20,832	18,351
Accrued income	1,804	1,573
Prepayments	8,891	7,229
Taxation recoverable	554	576
Other receivables	983	776
	33,064	28,505

Trade receivables is stated net of an adjustment of £18.7m (2023: £17.6m) to reflect the historical experience of non-renewal of memberships or rejections of exemptions awarded. This adjustment is debited directly to revenue in alignment with the key judgement detailed in note 2(c) iii) and is not considered as part of the credit risk element of the expected credit losses disclosed below. During the year an amount of £0.1m, related to this adjustment, which had been overprovided at the previous year end (2023: £2.0m underprovided) was recognised through the consolidated income statement.

The carrying amount of trade and other receivables approximates to their fair value, which has been calculated based on expectations of debt recovery from historic trends feeding into expected credit loss calculations. The majority of trade receivables relates to members' and future members' debt which are individually small in value.

ACCA applies the IFRS 9 simplified approach, as per note 2(c) iv) to measuring expected credit losses using a lifetime expected credit loss for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on customer segment, geography, and product type. Loss rates are based on ACCA's historic credit loss experience over the previous period and are then adjusted for current and forward-looking factors affecting ACCA's customers.

As at 31 March 2024, trade receivables of £18.5m (2023: £16.1m) were past due but not impaired. The aging analysis of these trade receivables is as follows:

	31 Mar 2024 £'000	31 Mar 2023 £'000
31-60 days	2,731	2,018
61-90 days	2,119	2,425
91-120 days	10,863	10,588
Over 121 days	2,744	1,047
	18,457	16,078

The movement on the expected credit losses of trade receivables is as follows:

At 1 April	1,913	843
Receivables impaired during the year	2,537	1,851
Receivables written off during the year as uncollectible	(396)	(293)
Amounts recovered which were previously provided for	(737)	(488)
At 31 March	3,317	1,913

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

18 Derivative financial instruments

	31 Mar 2024		31 Mar 2023	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Forward foreign exchange contracts	55	(231)	52	(506)
	55	(231)	52	(506)

The contracts entered into by ACCA are principally denominated in the geographic areas in which ACCA operates. The fair value of these contracts is recorded in the statement of financial position and is determined by mark-to-market valuations and have been valued by the providers of the contracts. The valuation methods used are consistent with the principles in IFRS 13: Fair Value Measurement and use significant unobservable inputs, such that the fair value measurement of the contracts, has been classified as Level 3 in the fair value hierarchy. No contracts are designated as hedging instruments, as defined in IFRS 9, and consequently all changes in fair value are taken to the statement of comprehensive income.

The amount recognised in the statement of comprehensive income that arises from the forward foreign exchange contracts amounted to a gain of £0.3m (31 March 2023: loss of £1.0m).

Forward foreign exchange contracts

The notional principal amounts of the outstanding forward foreign exchange contracts at 31 March 2024 was £23.8m (31 March 2023: £29.3m).

19 Cash and cash equivalents

	31 Mar 2024 £'000	31 Mar 2023 £'000
Cash at bank and in hand	19,570	31,647
Short-term bank deposits	23,343	–
Foreign exchange loss in respect of NGN	–	(1,031)
	42,913	30,616

Cash and cash equivalents comprise cash on hand, demand and short-term deposits, as appropriate, with banks and similar institutions which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

The effective interest rate on short-term bank deposits was 5.02% (2023: n/a) and these deposits have an average maturity of 24 days (2023: n/a).

ACCA holds surplus funds in Nigeria due to the difficulties Nigerian members and students have in remitting GBP payments to the UK. ACCA has attempted to repatriate these funds back to the UK, however due to currency restrictions within the country the exchange rate available is poorer than the closing rate. In the previous year ACCA recognised a foreign exchange impairment loss for the balances held in Nigeria of £1.031m. Since then, the Nigerian Naira (NGN) has been floated and is now more stable. Any exchange rate gains or losses are now dealt through the normal process of converting the balances at the year-end rates and differences taken to the income statement.

1 About ACCA
and this report

2 Our 2023-24
highlights

3 Leadership
messages

4 ACCA's strategy
and 2023-24
performance

5 Value creation
model

6 The global context,
stakeholders
and materiality

7 Delivering on
sustainability

8 Risks and their
management

9 Governance,
leadership
and people

10 The new ACCA
strategy, measures
and targets

**11 Financial
statements**

Notes to the financial statements for the year ended 31 March 2024

20 Leases

The statement of financial position shows the following amounts relating to leases:

	31 Mar 2024 £'000	31 Mar 2023 £'000
Right-of-use assets		
Property	9,819	12,351
Lease liabilities:		
Current	3,882	3,783
Non-current	7,659	10,719
	11,541	14,502

The movement in the lease liabilities during the years was as follows:

At 1 April	14,502	30,004
Addition of new leases	1,463	2,869
Disposals	(256)	(14,056)
Lease repayments	(4,603)	(4,817)
Interest costs	435	502
At 31 March	11,541	14,502

The consolidated income statement shows the following amounts relating to leases:

Depreciation charge of right-of-use assets		
Property	3,671	4,323
Interest expense (included in finance cost)	435	502

ACCA has leases for all its offices and some IT equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset. ACCA classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see note 14).

Each lease generally imposes a restriction that, unless there is a contractual right for ACCA and its subsidiary companies to sublet the asset to another party, the right-of-use asset can only be used by ACCA and its subsidiary companies. Leases are either non-cancellable or may only be cancelled by incurring a termination fee. Some leases contain an option to extend the lease for a further term.

ACCA and its subsidiary companies are prohibited from selling or pledging the underlying leased assets as security. For all office leases, ACCA and its subsidiary companies must keep those properties in a good state of repair and return the properties to their original condition at the end of the lease. Further, ACCA must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements**

Notes to the financial statements for the year ended 31 March 2024

20 Leases (continued)

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 March 2024 were as follows:

	Minimum lease payments due						Total
	Within 1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	After 5 years £'000	£'000
31 March 2024							
Lease payments	4,186	3,414	1,254	1,189	998	1,177	12,218
Finance charges	(304)	(163)	(96)	(63)	(37)	(14)	(677)
Net present values	3,882	3,251	1,158	1,126	961	1,163	11,541
31 March 2023							
Lease payments	4,174	3,761	3,072	1,171	1,138	2,158	15,474
Finance charges	(391)	(264)	(148)	(92)	(63)	(14)	(972)
Net present values	3,783	3,497	2,924	1,079	1,075	2,144	14,502

The table below describes the nature of ACCA's leasing activities by type of right-of-use asset recognised on the statement of financial position:

Right-of-use asset	Leasehold Improvements
Number of right-of-use assets leased	32
Range of remaining term	1 month to 6 years 4 months
Average remaining lease	1 year 3 months
Number of leases with extension options	nil
Number of leases with options to purchase	nil
Number of leases with variable payments linked to an index	11
Number of leases with termination options	32

ACCA have lease contracts that include extension and termination options. These options are negotiated by ACCA to provide flexibility in managing the leased asset and align with ACCA's business needs.

There are no undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Lease payments not recognised as a liability

ACCA has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The expense relating to payments not included in the measurement of the lease liability is as follows:

	31 Mar 2024 £'000	31 Mar 2023 £'000
Short-term leases	606	409
	606	409

Jump to:

1 About ACCA
and this report

2 Our 2023-24
highlights

3 Leadership
messages

4 ACCA's strategy
and 2023-24
performance

5 Value creation
model

6 The global context,
stakeholders
and materiality

7 Delivering on
sustainability

8 Risks and their
management

9 Governance,
leadership
and people

10 The new ACCA
strategy, measures
and targets

**11 Financial
statements**

Notes to the financial statements for the year ended 31 March 2024

20 Leases (continued)

At 31 March 2024 ACCA was committed to short-term leases and the total commitment at that date was £606k (31 March 2023: £409k).

At 31 March 2024 ACCA had no (31 March 2023: 3) commitments to leases which had not yet commenced and therefore there were future cash outflows to disclose for leases that had not yet commenced of £nil (31 March 2023: £74k).

Total cash outflow for leases for the year ended 31 March 2024 was £4.2m (2023: £4.3m).

21 Deferred tax liabilities

Deferred tax liabilities are calculated in full on temporary differences using a principal tax rate of 25% (2023: 25%). The major deferred tax liabilities recognised by ACCA and the movements thereon during the previous year relate to the pension asset of the UK defined benefit pension scheme. The tax rate applicable to authorised surplus payments from defined benefit schemes is 35%. ACCA has no deferred tax assets. The tax charge is recognised in other comprehensive income and not through profit and loss.

	31 Mar 2024 £'000	31 Mar 2023 £'000
<i>Deferred tax liabilities</i>		
At 1 April	–	388
Tax credited to reserves:		
Provision on UK pension scheme	–	(388)
At 31 March	–	–

22 Retirement benefit obligations

(a) General information

The financial statements include the financial impact of defined benefit pension schemes operated in the UK and Ireland, and which closed to future accrual on 31 July 2013. Those schemes provided benefits based on final pensionable pay and on a career average revalued earnings (CARE) basis. ACCA operates defined contribution plans which are currently administered by Aegon in the UK and Aon in Ireland. Contributions are invested with Aegon in the UK and with Irish Life in Ireland.

During the year, ACCA and the trustees of the Irish Scheme agreed to wind up the Irish Scheme and following legal and actuarial advice, a settlement agreement was signed in December 2023. ACCA agreed to make a final one-off payment of €100,000 to the Scheme and this was paid in December 2023. As part of this process, the single pension in payment was secured via an annuity purchase. In addition the remaining Scheme assets were transferred to a cash fund and were awaiting distribution to the remaining members of the Scheme. This has since taken place in quarter 2 of 2024 via a bulk annuity purchase with Irish Life.

The closed UK defined benefit Scheme is subject to the Statutory Funding Objective (SFO) under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the SFO is met. As part of the process ACCA must agree with the Trustees of the Scheme the contributions to be paid to address any shortfall against the SFO. The SFO does not currently impact on the recognition of the Scheme on these accounts.

Jump to:

1 About ACCA
and this report

2 Our 2023-24
highlights

3 Leadership
messages

4 ACCA's strategy
and 2023-24
performance

5 Value creation
model

6 The global context,
stakeholders
and materiality

7 Delivering on
sustainability

8 Risks and their
management

9 Governance,
leadership
and people

10 The new ACCA
strategy, measures
and targets

11 Financial
statements

22 Retirement benefit obligations (continued)

(a) General information (continued)

The most recent triennial valuation of the UK Scheme was at 31 December 2021. This 31 December 2021 valuation has been updated by the scheme actuary for IAS 19 purposes as at 31 March 2024. The triennial valuation was based on the following principal financial assumptions:

Rate of investment return:	past service – nominal gilt yield curve + 0.5%
	future service – nominal gilt yield curve + 0.5%
Retail price index	Bank of England implied inflation yield curve
Consumer price index	RPI inflation with 0.5% deduction before 2030 and nil thereafter
Rate of salary growth	not applicable as scheme closed to future accrual

The actuarial valuation of the UK Scheme showed that, at 31 December 2021, the market value of Scheme assets was £159.1m and the value of pension benefits earned was £199.0m. The funding level against technical provisions was therefore 80%. As part of the actuarial valuation ACCA and the Trustees agreed to move to a Long-Term Funding basis calculation for the calculations of the Technical Provisions.

An actuarial valuation for the closed Irish scheme is required to be undertaken at least every 3 years in accordance with Section 56 of the Pensions Act 1990 (as amended) and in accordance with the Trust Deed and Rules of the Scheme. Under Clause 6.1 of the Trust Deed for the Scheme, the Employer shall pay to the Trustees the moneys which the Trustees determine, having considered the advice of the Actuary and consulted with ACCA, to be necessary to support and maintain the Scheme in order to provide the benefits under the Scheme. In addition, Section 42 of the Pensions Act 1990 (as amended) requires the Scheme to satisfy the Funding Standard. The Funding Standard defines the minimum assets that each scheme must hold and sets out the rules that apply if a scheme falls short. The actuarial valuation and the Funding Standard requirements do not impact on the recognition of the Scheme on these accounts.

The most recent triennial valuation of the Irish Scheme was at 1 January 2021. The valuation used for IAS19 purposes has been based on a full assessment of the liabilities of the Scheme by the actuary as at 31 March 2024. The triennial valuation was based on the following principal financial assumptions:

Rate of investment return:	past service	3.75% p.a. to retirement, 2.25% p.a. thereafter
	future service	3.75% p.a. to retirement, 2.25% p.a. thereafter
Inflation		1.75% p.a.
Rate of salary growth		not applicable as scheme closed to future accrual

The actuarial valuation of the Irish Scheme showed that, at 1 January 2021, the market value of the Scheme assets was €4.1m and the value of pension benefits earned was €4.5m. The funding ratio was therefore 91%.

	31 Mar 2024	31 Mar 2023
The principal financial assumptions used for the purposes of the figures in these financial statements were as follows:		
Discount rate for UK Scheme	4.80%	4.70%
Discount rate for Irish Scheme	3.40%	3.60%
RPI – Future pension increases (UK Scheme) subject to LPI	3.00%	3.10%
CPI (UK Scheme)	2.30%	2.30%
Inflation – Future pension increases (Irish Scheme)	2.30%	2.50%

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

22 Retirement benefit obligations (continued)

(a) General information (continued)

The mortality assumptions for the current year-end for the UK Scheme follows the table known as S3PXA, using 95% of the base table with mortality improvements in line with the 2022 version of the CMI model, with a long-term rate of improvement of 1% per annum (2023: 1% per annum). At the previous year-end mortality assumptions followed the S3PXA table using 101% of the base table with mortality improvements in line with the 2021 version of the CMI model. For the Irish Scheme the mortality assumptions (postretirement) are unchanged from the previous disclosures. However, given the way the tables are compiled to take into account future mortality improvements, the actual life expectancy for members of the Irish Scheme at each age will have increased from last year.

Assuming retirement at 65, the life expectancies in years are as follows:

	Irish Scheme		UK Scheme	
	31 Mar 2004	31 Mar 2003	31 Mar 2024	31 Mar 2023
For a male aged 65 now	23.6	23.5	21.7	21.7
At 65 for a male aged 45 now	25.3	25.2	22.6	22.7
For a female aged 65 now	25.9	25.8	24.1	24.1
At 65 for a female aged 45 now	27.5	27.5	25.2	25.3

In accordance with IFRIC14, the UK and Irish Scheme Rules and funding arrangements were reviewed and ACCA considers that the Trustees have no rights to unilaterally wind up, or otherwise augment the benefits due to members of the UK Scheme but may have those rights for the Irish Scheme.

(b) Pension costs

	31 Mar 2024 £'000	31 Mar 2023 £'000
The total pension charge is made up as follows:		
Pension costs under the UK and Irish Schemes	(61)	(59)
Payments to defined contribution schemes for certain employees outside the UK and Ireland	385	322
Payments to defined contribution schemes for certain employees in the UK and Ireland	6,646	6,327
Payments for the Pensions Protection Fund levies	29	106
Pension costs	6,999	6,696
Actuarial losses recognised in the statement of other comprehensive income for the period	7,727	4,414

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

22 Retirement benefit obligations (continued)

(b) Pension costs (continued)

In addition to the defined contribution schemes operated for UK and Ireland qualifying employees, schemes also operate for certain employees outside the UK and Ireland. The nature of such schemes varies according to legal regulations, fiscal requirements and economic conditions of the countries in which employees are based. Plans are funded by payments from the group and by employees and are held separately and independently of the group's finances.

	31 Mar 2024 £'000	31 Mar 2023 £'000
The amounts recognised in total comprehensive income for the Schemes are as follows:		
Net interest	(63)	(59)
Settlement cost	2	–
Pension costs under the Schemes	(61)	(59)

(c) Contributions and the effect of the Schemes on the future cashflows

ACCA is required to agree a schedule of contributions with the Trustees of the Schemes following actuarial valuations which take place every three years. In accordance with actuarial advice and with the agreement of ACCA and the UK Scheme's Trustees, a recovery plan was put in place with effect from January 2022 to which ACCA will contribute annual deficit recovery contributions of £2.812m in respect of the UK scheme increasing by 3% p.a. for a period of 10 years and 7 months, subject to review at future actuarial valuations. As noted above, ACCA and the Irish Scheme trustees agreed to wind up the Irish Scheme during the year and following the signing of the settlement agreement no further contributions are payable. In respect of other overseas schemes, it is expected that ACCA will contribute on average 9% of pensionable salary in the coming year.

(d) Movement in the net liability/(asset) recognised in the statement of financial position

	31 Mar 2024 £'000	31 Mar 2023 £'000
At 1 April	871	(518)
Net pension costs	(61)	(59)
Contributions paid	(2,946)	(2,975)
Recognition of actuarial losses	7,727	4,414
Exchange difference	1	9
At 31 March	5,592	871

The split for statement of financial position purposes is shown below.

Pension deficit on UK Scheme	5,592	620
Pension deficit on Ireland Scheme	–	251
Net liability at 31 March	5,592	871

1 About ACCA
and this report

2 Our 2023-24
highlights

3 Leadership
messages

4 ACCA's strategy
and 2023-24
performance

5 Value creation
model

6 The global context,
stakeholders
and materiality

7 Delivering on
sustainability

8 Risks and their
management

9 Governance,
leadership
and people

10 The new ACCA
strategy, measures
and targets

11 Financial
statements

Notes to the financial statements
for the year ended 31 March 2024

Jump to:

22 Retirement benefit obligations (continued)

	31 Mar 2024 £'000	31 Mar 2023 £'000
(e) Pension benefits		
Amounts recognised in the statement of financial position to reflect funded status		
Present value of funded obligations	105,997	105,673
Fair value of plan assets	(100,405)	(104,802)
Net liability in the statement of financial position at 31 March	5,592	871
(f) Change in benefit obligation		
Present value of benefit obligation at 1 April	105,673	148,895
Interest on obligation	4,798	3,939
Benefits paid	(3,618)	(3,905)
Settlements paid	(232)	–
(Gain)/loss from change in demographic assumptions	(318)	835
Gain from change in financial assumptions	(3,042)	(47,717)
Loss from experience	2,840	3,433
Exchange difference	(104)	193
Present value of benefit obligation at 31 March	105,997	105,673
Amounts recognised in the statement of financial position for pensions are predominantly non-current and are reported as non-current liabilities and/or non-current assets as applicable.		
(g) The defined benefit obligation is split as follows		
Deferred pensioners	78,361	76,376
Pensioners	27,493	28,874
Former members due benefits as a result of a rules review	143	423
Present value of benefit obligation at 31 March	105,997	105,673
(h) Change in plan assets		
Fair value of plan assets at 1 April	104,802	149,413
Interest income	4,860	3,996
Actual return on assets less interest	(8,241)	(47,863)
Actual return on plan assets	(3,381)	(43,867)
Contributions – employer	2,946	2,975
Benefits paid	(3,618)	(3,905)
Settlements paid	(230)	–
Exchange difference	(114)	186
Fair value of plan assets at 31 March	100,405	104,802

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

22 Retirement benefit obligations (continued)

(i) Plan assets

The major categories of plan assets are as follows:

	Fair Value Hierarchy	31 Mar 2024 £'000	%	31 Mar 2023 £'000	%
UK equities		200	0.2	314	0.3
North American equities		3,845	3.8	4,145	4.0
European equities		585	0.6	1,044	1.0
Japanese equities		373	0.4	496	0.5
Asia Pacific equities		149	0.1	399	0.4
Emerging markets equities		807	0.8	677	0.6
Total equities	Level 2	5,959	5.9	7,075	6.8
LDIs	Level 2	56,488	56.3	50,766	48.4
Diversified Growth Funds	Level 2	–	–	388	0.4
Bonds	Level 2	–	–	709	0.7
Multi Asset Credit Funds	Level 2	20,141	20.1	23,422	22.3
Property	Level 3	6,240	6.2	14,761	14.1
Cash and liquidity funds	Level 2	329	0.3	6,968	6.6
Cash	Level 1	11,248	11.2	713	0.7
		100,405	100.0	104,802	100.0

Assets are invested in a range of funds operated by Legal & General, CBRE, CVC Credit Partners and M&G for the UK Scheme and Irish Life for the Irish Scheme. The Trustees believe that investing in a range of funds and investment managers offers the best combination of growth opportunity and risk management. Investments are diversified such that the failure of any single investment would not have a material impact on the overall level of assets. The Trustees have implemented an investment strategy to further diversify and de-risk the scheme. This includes investing in LDIs (Liability Driven Investments) which is a strategy based on the cash flows to fund future liabilities and Multi Asset Credit Funds which can enable trustees to take advantage of credit market opportunities when they arise using a complete array of credit types in a low governance and cost-effective manner.

(j) Sensitivity of overall pension liabilities

	31 Mar 2024 £'000	31 Mar 2023 £'000
Increase in liability through 0.25% reduction in discount rate	4,240	4,227
Increase in liability through 0.25% increase in inflation assumption	2,120	2,113
Increase in liability through increase in rate of mortality by 1 year	3,180	3,170

The sensitivities are based on the present value of funded obligations.

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

Notes to the financial statements for the year ended 31 March 2024

22 Retirement benefit obligations (continued)

(k) Defined benefit obligation trends

	31 Mar 2024 £'000	31 Mar 2023 £'000	31 Mar 2022 £'000	31 Mar 2021 £'000	31 Mar 2020 £'000
Scheme assets	100,405	104,802	149,413	143,071	124,379
Scheme liabilities	(105,997)	(105,673)	(148,895)	(160,887)	(142,263)
Scheme (deficit)/surplus	(5,592)	(871)	518	(17,816)	(17,884)

(l) Other information

During the year the UK Scheme lawyer alerted the trustees and ACCA to the court case of *Virgin Media Limited v NTL Pension Trustees II Limited and Others* which has gone to appeal to be heard in June 2024. The original ruling in 2023 confirmed that certain rules of a contracted-out scheme cannot be altered without the statutory actuarial confirmation having been obtained and that non-compliant alterations are void. If the appeal is not upheld then ACCA's UK Scheme may be impacted as it is a contracted-out scheme.

Both ACCA and the trustees have taken separate legal advice which advised that, given the many uncertainties in relation to the case, until the outcome of the appeal is known, it's not feasible to assess the impact on the Scheme at this stage. It has also been noted that the decision could be subject to government intervention.

23 Trade and other payables

	31 Mar 2024 £'000	31 Mar 2023 £'000
Trade and other creditors	14,813	15,448
Social security and other taxes	7,125	5,932
Accrued expenses	22,893	22,540
	44,831	43,920

At the year end, all of ACCA's trade and other payables have contractual maturities of within one month.

24 Deferred income

	31 Mar 2024 £'000	31 Mar 2023 £'000
Deferred income	98,152	92,002

Deferred income comprises fees and subscriptions from members and future members accounted for in advance, exam fees paid in advance by future members and monitoring contract income paid in advance.

Income recognised in the financial statements in the year includes £92.0m (2023: £91.1m) included within the deferred income balance at the beginning of the reporting period.

Jump to:

1 About ACCA
and this report

2 Our 2023-24
highlights

3 Leadership
messages

4 ACCA's strategy
and 2023-24
performance

5 Value creation
model

6 The global context,
stakeholders
and materiality

7 Delivering on
sustainability

8 Risks and their
management

9 Governance,
leadership
and people

10 The new ACCA
strategy, measures
and targets

11 Financial
statements

Notes to the financial statements for the year ended 31 March 2024

25 Provisions

	31 Mar 2023 £'000	Utilised in year £'000	Released in year £'000	Provided in year £'000	Exchange difference £'000	31 Mar 2024 £'000
Legal costs and claims	412	(256)	(65)	671	–	762
End of service	1,050	(30)	(39)	251	(28)	1,204
Tax	2,211	(22)	(494)	466	–	2,161
Restructuring	722	(434)	(98)	100	–	290
Dilapidations	3,148	(60)	–	153	(59)	3,182
Total	7,543	(802)	(696)	1,641	(87)	7,599

The legal costs and claims provision is management's best estimate of ACCA's liability relating to the costs associated with ongoing Financial Reporting Council (FRC) investigations and to provisions relating to members and employees. It also includes an estimate for a number of legal claims which are commercially sensitive at this time as well as costs which ACCA may be liable for when undertaking investigations into any ACCA members' conduct relating to the collapse of Anglo-Irish Bank.

The end of service provision is management's best estimate of the potential pay-outs required if and when employees leave the ACCA UAE, Oman, Bangladesh, India, Botswana and Indonesia offices.

The tax provision relates to potential liabilities for transfer pricing, GST and VAT in various jurisdictions throughout the world. As more and more jurisdictions review their tax laws, ACCA continues to manage the settlement of any liabilities with assistance from in-country third party tax advisors.

During the year ACCA continued its strategic efficiency review, and as a result, a number of posts were made redundant. The restructuring provision is management's best estimate of ACCA's liability relating to the costs associated with the roles which were made redundant. During the year some of the employees, who were in 'at risk' posts at the previous year end, were successfully recruited into new posts within ACCA. As a result of the overprovision at March 2023, £98k was released back into the consolidated income statement.

The dilapidations provision represents management's best estimate of the costs to restore ACCA's leased buildings to their previously unfurnished states. The majority of the provision relates to the UK, Ireland and China offices.

26 Currency reserve

	Total £'000
Balance at 31 March 2022	454
Currency translation differences	199
Balance at 31 March 2023	653
Currency translation differences	(732)
Balance at 31 March 2024	(79)

The currency reserve represents the exchange differences arising on the translation of the assets and liabilities of the non-UK subsidiary undertakings and the non-UK branches.

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

27 Related party transactions

Balances between ACCA and its subsidiaries have been eliminated on consolidation and are not included in this note. Transactions between ACCA and other related parties are disclosed below.

Relationships

Council members as office holders

Ronnie Patton (President)
Ayla Majid (Deputy President)
Melanie Proffitt (Vice President)

The office holders receive a small honorarium for each year they serve as an officer. In accordance with the Council Travel and Expenses policy, Council members are reimbursed for any expenses which they directly incur on behalf of ACCA as part of their role as a Council member.

Other Council members
(in post during the year ended
31 March 2024)

Maryam Abisola Adefarati, Victoria Ajayi, Susan Allan, Md Arif Al Islam, Liz Blackburn, Carol-Ann Boothe, Anastasia Chalkidou, Natalie Chan, Sharon Critchlow, John Cullen, Cathal Cusack, Orla Collins, Matt Dolphin, Cristina Gutu, Datuk Zaiton Mohd Hassan, Lorraine Holleway, Michelle Hourican, Babajide Ibironke, Dinesh Jangid, Paula Kensington, Gary Kent, Lock Peng Kuan, Trusha Lakhani, Arthur Lee, Dean Lee, James Lizars, Oxana Losevskaya, Philip Maher, Gillian McCreadie, Nauman Asif Mian, Helen Morgan, Brigitte Nangoyi Muyenga, Mohd Nasir Ahmad, Amos Ng, Ian Ng, Joe O'Regan, Oluwaseyi Oshibolu, Joseph Owolabi, Siobhan Pandya, Melanie Proffitt, Marta Rejman, Dani Saghafi, Brendan Sheehan, Sallah-ud-din (Den) Surfraz, Merina Abu Tahir, Jennifer Tan, Dinusha Weerawardane, Ernest Wong, Matthew Wong, Shujuan Yang, Alice Yip and Phoebe Hao Yu

Key management personnel
(in post during the year
ended 31 March 2024)

Helen Brand (Chief Executive), Alan Hatfield, Julie Hotchkiss, Raymond Jack, Maggie McGhee, and Lucia Real-Martin

Defined benefit pension schemes

The UK and Ireland defined benefit pension schemes are related parties. ACCA's transactions with the defined benefit pension schemes relate to contributions paid to the Schemes (see note 22)

Jump to:

1 About ACCA
and this report

2 Our 2023-24
highlights

3 Leadership
messages

4 ACCA's strategy
and 2023-24
performance

5 Value creation
model

6 The global context,
stakeholders
and materiality

7 Delivering on
sustainability

8 Risks and their
management

9 Governance,
leadership
and people

10 The new ACCA
strategy, measures
and targets

**11 Financial
statements**

Notes to the financial statements
for the year ended 31 March 2024

27 Related party transactions (continued)

	31 Mar 2024 £'000	31 Mar 2023 £'000
Related party transactions		
Honorarium to the office holders	15	19
Reimbursement of expenses directly incurred by Council members	142	146

Key management personnel are remunerated as shown below.

Salaries and other short-term employee benefits	2,237	2,134
Post-employment benefits	92	113
	2,329	2,247

The post-employment benefits are the pension contributions payable for those Executive Board members who are members of the defined contribution pension scheme. At the year-end three (2023: three) members of the Executive Board receive an allowance in lieu of pension contributions. The value of those allowances is included in 'Salaries and other short-term employee benefits'.

	Owe	Owed
Related party balances		
Bonuses payable to key management personnel	418	394

Jump to:

1 About ACCA
and this report

2 Our 2023-24
highlights

3 Leadership
messages

4 ACCA's strategy
and 2023-24
performance

5 Value creation
model

6 The global context,
stakeholders
and materiality

7 Delivering on
sustainability

8 Risks and their
management

9 Governance,
leadership
and people

10 The new ACCA
strategy, measures
and targets

**11 Financial
statements**

28 Principal undertakings

The Association of Chartered Certified Accountants is the principal undertaking and is incorporated by Royal Charter. It is registered in England & Wales and is limited by guarantee. It is a global professional accountancy body.

Subsidiary undertakings

The principal subsidiary undertakings, all 100% owned, which are included in the consolidated financial statements, are as follows:

	Country of registration	Beneficial holding	Nature of business
Certified Accountants Investment Company Limited	England & Wales	Ordinary shares	Investment company
The Certified Accountants Educational Trust	England & Wales	Charitable trust	Educational charity
Certified Accountants Educational Projects Limited	England & Wales	Ordinary shares	Provider of educational supplies and services
Certified Accountant (Publications) Limited	England & Wales	Ordinary shares	Publisher of <i>Accounting & Business</i>
Seacron Limited	England & Wales	Ordinary shares	Vehicle for ACCA's operations in China
Strategic Educational Professionals Pte Ltd	India	Ordinary shares	Vehicle for ACCA's operations in India
ACCA Malaysia Sdn. Bhd.	Malaysia	Ordinary shares	Vehicle for ACCA's operations in Malaysia
ACCA Mauritius	Mauritius	Limited by guarantee	Vehicle for ACCA's operations in Mauritius
ACCA Pakistan	Pakistan	Limited by guarantee	Vehicle for ACCA's operations in Pakistan
ACCA Singapore Pte Ltd.	Singapore	Ordinary shares	Vehicle for ACCA's operations in Singapore
ACCA South Africa	South Africa	Limited by guarantee	Vehicle for ACCA's operations in South Africa
Seacron Educational Nigeria Ltd	Nigeria	Ordinary shares	Vehicle for ACCA's operations in Nigeria
ACCA (Shanghai) Consulting Co. Ltd	China	Paid-in capital	Vehicle for ACCA's operations in China
ACCA Canada	Canada	Limited by guarantee	Vehicle for ACCA's operations in Canada
ACCA Romania	Romania	Limited by guarantee	Vehicle for ACCA's operations in Romania

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

28 Principal undertakings (continued)
Subsidiary undertakings (continued)

	Country of registration	Beneficial holding	Nature of business
ACCA Malawi Ltd	Malawi	Limited by guarantee	Vehicle for ACCA's operations in Malawi
ACCA Australia and New Zealand Ltd	Australia	Limited by guarantee	Vehicle for ACCA's operations in Australia
ACCA Russia Ltd	England & Wales	Ordinary shares	Vehicle for ACCA's operations in Russia
ACCA Ventures Ltd	England & Wales	Ordinary shares	Vehicle for providing online courses
ACCA Tanzania	Tanzania	Limited by guarantee	Vehicle for ACCA's operations in Tanzania
ACCA Turkey	Turkey	Ordinary shares	Vehicle for ACCA's operations in Turkey
ACCA Botswana	Botswana	Limited by guarantee	Vehicle for ACCA's operations in Botswana
ACCA Kenya	Kenya	Limited by guarantee	Vehicle for ACCA's operations in Kenya
ACCA Global Ltd	England & Wales	Ordinary shares	Vehicle for ACCA's operations in Nepal, Poland & Kazakhstan
ACCA Ghana	Ghana	Limited by guarantee	Vehicle for ACCA's operations in Ghana
ACCA Zambia	Zambia	Limited by guarantee	Vehicle for ACCA's operations in Zambia
Certified Accountants Educational Trustees Ltd	England & Wales	Ordinary shares	Corporate trustee for CAET
Certified Nominees Ltd	England & Wales	Ordinary shares	Corporate director for ACCA companies
ACCA Global Vietnam Company Limited	Vietnam	Ordinary shares	Vehicle for ACCA's operations in Vietnam

It should be noted that the directors of the England & Wales subsidiaries, Seacron Ltd, Certified Accountants Educational Trustees Ltd and Certified Nominees Ltd, have chosen not to have those subsidiary financial statements audited as they are eligible for audit exemptions under S480 of the UK Companies Act 2006 relating to dormant companies.

Other undertakings

ACCA holds a 20.2% holding in The Consultative Committee of Accountancy Bodies Limited (a company registered in England & Wales) at a cost of £202, held in furtherance of its professional objectives.

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

29 Contingent liabilities

Overseas taxation

ACCA continues to monitor the tax legislation of overseas markets where remote selling may result in a tax exposure. Where ACCA has identified areas where we consider there is tax exposure, we engage with the appropriate authorities and have raised provisions for the resolution of these matters as appropriate.

Although this is a continuous and ongoing exercise, given the increased scale of digital taxes internationally and the reach of ACCA it is possible that there are jurisdictions who have enacted localised rules where ACCA will be exposed to additional tax liabilities, some of which may have historic application, with interest and penalties thereon. At this stage this remains speculative and it is neither possible to predict nor quantify this liability.

30 Cash flow statement

	31 Mar 2024 £'000	31 Mar 2023 £'000
(a) Cash generated from operations		
Surplus before tax	19,043	3,879
Adjustments for:		
Depreciation on property, plant and equipment	5,351	6,325
Amortisation of intangible assets	348	701
(Gain)/loss on disposal of property, plant and equipment	(20)	12,769
Realised (gains)/losses on sale of investments	(477)	789
Unrealised (gains)/losses on investments	(4,164)	11
Interest received	(1,393)	(416)
Dividends received	(1,526)	(929)
Pension costs – net interest receivable	(61)	(59)
Interest paid	138	456
Interest expense for leasing arrangements	435	502
Interest expense on dilapidations provision	149	275
Pension contributions paid	(2,946)	(2,975)
Incentive payment in relation to lease termination	–	4,000
Changes in working capital (excluding the effects of exchange differences)		
Derivative financial instruments	(278)	960
Trade and other receivables	(4,581)	4,686
Trade and other payables	911	(2,013)
Deferred income	6,150	856
Lease creditors	(256)	(14,056)
Provisions	143	(4,814)
Cash generated from operations	16,966	10,947

(b) Disposal of property, plant and equipment

In the statement of cash flows, proceeds from sale of property, plant and equipment comprise:

Net book amount	253	12,773
Gain/(loss) on disposal of property, plant and equipment	20	(12,769)
Proceeds from disposal of property, plant and equipment	273	4

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

Corporate governance statement

Jump to:

1	About ACCA and this report
2	Our 2023-24 highlights
3	Leadership messages
4	ACCA's strategy and 2023-24 performance
5	Value creation model
6	The global context, stakeholders and materiality
7	Delivering on sustainability
8	Risks and their management
9	Governance, leadership and people
10	The new ACCA strategy, measures and targets
11	Financial statements

The UK Corporate Governance Code

Council is committed to the highest standards of corporate governance. It supports the framework for corporate governance in the UK set out in the *UK Corporate Governance Code* as revised and re-issued by the UK Financial Reporting Council (FRC) in 2018. Council's Nominating and Governance Committee is charged with ensuring that ACCA follows best global practice. Council confirms that, although the *UK Corporate Governance Code* relates to UK listed companies and ACCA is not obliged to comply, and does not comply, with it, ACCA nevertheless follows its guidance as far as this is, in Council's opinion, relevant to ACCA.

Principles of good governance

Council and the Chief Executive

Council is the governing body of ACCA and therefore has a key role in ACCA affairs. Its fundamental purpose is to ensure that ACCA delivers the objectives stated in the Royal Charter. Council's terms of reference highlight its responsibility for determining ACCA's strategic policy objectives and for monitoring the organisation's performance in relation to its strategic plan and annual budget. It delegates certain aspects of this function to Council Board, committees and task forces which operate under its overall guidance and report to it. The Chief Executive manages ACCA's activities and services in accordance with the framework set by Council and reports progress and performance against clear and agreed financial and non-financial measures. Detailed written terms of reference for Council, Council Board and Committees are published and regularly updated.

Council has adopted a Code of Practice for Council members. This Code of Practice, a link to which is circulated to members with the material for the Annual General Meeting (AGM), applies to Council members when acting in their capacity as Council members and provides a framework for the operation of Council's business. Council is a collegial body and expects all of its members to recognise their collective responsibilities and to comply with the Code. Whatever their geographical or sectoral bases, Council members do not represent particular areas or functions. At 31 March 2024 Council had 45 volunteer members. They are all subject to re-election every three years, for a maximum of three terms. The immediate past president also attends Council. They have a wide-ranging remit geared to providing strategic direction for ACCA. Council members examine issues of broad and long-term importance to ACCA and establish ACCA's position on global industry developments as they arise. Following the 2023 AGM, Council now has members from 19 different countries, reflecting the diversity of ACCA and its members. Profiles of Council members are available on the ACCA website at accaglobal.com

The office holders (Officers) of ACCA are the President (Ronnie Patton), the Deputy President (Ayla Majid) and the Vice President (Melanie Proffitt). The incoming Vice President is elected by Council from among its members by ballot each year. Council then formally elects each of the Officers at its first meeting following the AGM, which this year will be held in November. In the normal course of events, in the two succeeding years Council elects the Vice President to serve as Deputy President and then President of ACCA.

Diversity

ACCA supports greater diversity in the composition of boards not only in terms of gender, but also in background and experience.

Council, Board and Committee induction

All newly-elected Council members attend an initial induction session, usually arranged around the AGM. The induction session gives new Council members the chance to find out more about the structure of ACCA, the development of its strategy, and any key issues which are currently before Council. The session is chaired by the President, and new Council members have the opportunity to ask questions of the Officers, the Chief Executive and senior staff.

1	About ACCA and this report
2	Our 2023-24 highlights
3	Leadership messages
4	ACCA's strategy and 2023-24 performance
5	Value creation model
6	The global context, stakeholders and materiality
7	Delivering on sustainability
8	Risks and their management
9	Governance, leadership and people
10	The new ACCA strategy, measures and targets
11	Financial statements

Principles of good governance (continued)

Mentoring

Every newly-elected Council member is assigned a 'mentor' for their first year on Council. The mentor, an existing member of Council, is responsible for providing guidance to the new Council member, is available to advise on Council's processes and procedures, and can provide background to the issues debated by Council. The guidelines for the mentoring process are available on request from ACCA.

Performance appraisal

Council members are subject to an annual performance appraisal process. They complete self-assessment questionnaires, in which they are asked to consider their performance in relation to the skills sets required of Council members and the positivity of their voluntary contribution to ACCA. All questionnaires are reviewed by the President and Chief Executive who decide whether further counselling is needed. A review of the overall process, and in particular of any common themes which may have been identified, is provided at a Council meeting.

Importantly, the self-assessment process invites Council members to identify any areas in which they feel they need further training. Responses form the basis of a training plan (to be developed on an individual or group basis) which will address the identified needs. In addition, training on areas such as presentation skills, media awareness and committee chairing is on offer to all Council members.

Council members' interests

The Officers receive a small honorarium for each year they serve as an officer. No other member of Council has received any payment in respect of services to Council, other than by way of reimbursement or payment of expenses incurred in providing such services. A copy of the expenses policy is available to members on request from ACCA. Details of material transactions between ACCA and its subsidiaries, and related parties (including members of Council) are provided in the notes to the accounts.

Council maintains a Register of Members' Interests which contains details, for each Council member, of any personal or business interests which might give rise to a potential conflict of interest or duty or which might influence the way in which he or she might vote on Council's affairs. The Register is reviewed annually, usually in August, when Council members are asked to review and update their entries. New Council members are asked to complete a declaration for the Register as part of their induction to Council and a declaration is also made at every meeting.

Council meetings

During the year there were four meetings of Council.

Statement of Council's responsibilities

Although not required to do so, either by the Royal Charter or by UK statute, Council has elected to prepare financial statements under UK-adopted International Accounting Standards, which give a true and fair view of the state of affairs of ACCA and its subsidiaries at the end of each accounting period and of the results for the period.

In preparing these financial statements, Council ensures that:

- suitable accounting policies are selected and applied consistently;
- reasonable and prudent judgements and fair accounting estimates are made;
- UK-adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- the financial statements are correctly prepared on the going concern basis.

Council considers that the Integrated Report and financial statements, taken as a whole, are fair, balanced and understandable and provide information necessary for members to assess ACCA's performance, business model and strategy.

1	About ACCA and this report
2	Our 2023-24 highlights
3	Leadership messages
4	ACCA's strategy and 2023-24 performance
5	Value creation model
6	The global context, stakeholders and materiality
7	Delivering on sustainability
8	Risks and their management
9	Governance, leadership and people
10	The new ACCA strategy, measures and targets
11	Financial statements

Statement of Council's responsibilities (continued)

Council has delegated to the Chief Executive and the senior staff its responsibility to keep proper accounting records, that are sufficient to show and explain ACCA's transactions and which disclose with reasonable accuracy at any time the financial position of ACCA, to safeguard its assets and to take reasonable steps for the prevention and detection of fraud and other irregularities.

ACCA's Integrated Report sets out details of the business risks which ACCA faces and its performance and strategy in addressing these. During 2023-24, ACCA established strategic targets, which were agreed by Council Board, and also established measures against the Strategy to 2025 which formed the basis for developing three-year financial projections and were used to develop the 2024-25 budget. Council Board approved the 2024-25 budget in April 2024, which contained the detailed financial assumptions, allocations and targets to deliver the 2024-25 Strategic Delivery Plan. Despite the global uncertainty Council remains satisfied that ACCA has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis continues to be adopted in preparing the financial statements.

Internal control

Council is responsible for ensuring that a system of internal control is maintained; no system can, however, provide absolute assurance against material misstatement or loss. ACCA's strategy is determined by Council. Financial and non-financial performance is reviewed regularly against target. Regular internal audit reviews of key processes in ACCA's offices are carried out by a combination of internal staff and external consultants.

Relations with members

The AGM, held annually in November or at such other time as Council determines (subject to there being not more than 15 months between AGMs), is the formal platform for communications with members. Member networks provide the opportunity for communications between ACCA and its members at a local level, throughout the world. Members are encouraged to take part in a wide range of business and social events. Council also distributes to all members an annual review of activities together with a summary of financial and other information. As in recent years the annual review will take the form of an Integrated Report.

Council is responsible for the oversight and integrity of the corporate and financial information included on ACCA's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Governance structure

The current structure has evolved over the years. Council continues to review regularly the roles, responsibilities and effectiveness of Council, Council Board, Regulatory Board and Committees to ensure that they remain fit for purpose. Council has established a number of committees to support it in delivery of its responsibilities to maintain the highest standards of corporate governance.

Council Board

The Council Board normally meets six times a year and has responsibility for the holistic oversight of the implementation of ACCA's strategy and to support agile decision making. During the year there were six meetings which took place virtually.

The members of the Council Board during the year and their attendance at meetings were:

		Meetings attended
Chairs:	Joseph Owolabi, FCCA CIA PMIIA MAICD (to 9/11/23)	4/4
	Ronnie Patton, FCCA MBA ADE FHEA (from 9/11/23)	2/2
Other members:	Susan Allan, FCCA (from 9/11/23)	2/2
	Helen Brand, BA OBE	6/6
	Natalie Chan, FCCA CFA (from 9/11/23)	2/2
	Ayla Majid, FCCA	5/6
	Siobhan Pandya, FCCA (from 9/11/23)	2/2
	Ronnie Patton, FCCA MBA ADE FHEA (to 9/11/23)	4/4
	Melanie Proffitt, FCCA	6/6
	Brendan Sheehan, FCCA (to 9/11/23)	3/4
	Alice Yip, FCCA HKICPA CIA FHKIoD (to 9/11/23)	4/4

The Council Board also includes the following non-Council members who were appointed following a global search and who bring diverse insights from their extensive global careers.

Anand Aithal	6/6
Daryl Fielding	6/6

Details of the terms of reference for the Council Board are available from secretariat@accaglobal.com

Nominating and Governance Committee

Nominating and Governance Committee is responsible for making recommendations to Council for appointments to Council, Council Board, standing committees and task forces, Council representation to International Assembly, Regulatory Board, and trustees of the pension scheme, including independent members. The Committee also identifies and endorses ACCA's member nominations to key external organisations. The Committee also has direct responsibility to develop and keep under review succession planning arrangements for ACCA's Officers and committee chairs and to play a proactive role in the identification of potential Council members. Appointments to committees are made annually by Council. The Committee will pursue continual improvement in governance design in ACCA in order to reflect best global practice. It gives ACCA a standing mechanism for reviewing governance design and planning in the short, medium and long term. This provides clear lines of sight between the development and implementation of ACCA's strategy and how ACCA's governance structures might need to evolve to support the delivery of strategy in the future.

The members of Nominating and Governance Committee during the year and their attendance at meetings were:

		Meetings attended
Chair:	Joseph Owolabi, FCCA CIA PMIIA MAICD (to 9/11/23)	1/1
	Ronnie Patton, FCCA MBA ADE FHEA (from 9/11/23)	1/1
Other members:	Liz Blackburn, FCCA, Chartered MCSI	2/2
	Orla Collins, FCCA LCI QFA MSc (to 9/11/23)	1/1
	Sharon Critchlow, FCCA CFP Chartered FCSI	2/2
	Michelle Hourican, FCCA MSc CIPPe (to 9/11/23)	1/1
	Babajide Ibironke, FCCA FCA FCTI FloD (from 9/11/23)	1/1
	Ayla Majid, FCCA	2/2
	Joseph Owolabi, FCCA CIA PMIIA MAICD (to 9/11/23)	1/1
	Ronnie Patton, FCCA MBA ADE FHEA (from 9/11/23)	1/1
	Melanie Proffitt, FCCA (from 9/11/23)	1/1
Non-Council member	Anand Aithal	2/2

Details of the terms of reference for Nominating and Governance Committee are available from secretariat@accaglobal.com

1	About ACCA and this report
2	Our 2023-24 highlights
3	Leadership messages
4	ACCA's strategy and 2023-24 performance
5	Value creation model
6	The global context, stakeholders and materiality
7	Delivering on sustainability
8	Risks and their management
9	Governance, leadership and people
10	The new ACCA strategy, measures and targets
11	Financial statements

Audit Committee

A separate Report from the Audit Committee has been presented at pages 55 to 58. This is in accordance with the revised ISA (UK) 700 Audit Report which was issued in 2019 and updated in January 2020.

Remuneration Committee

Remuneration Committee is responsible for determining and agreeing a policy framework for the remuneration of the Chief Executive and senior staff that is clearly aligned to the delivery of ACCA's strategic objectives. This is achieved by rewarding senior staff for high standards of performance and their contribution to the success of ACCA whilst ensuring that the framework adheres to the principles of good corporate governance. The Committee currently consists of eight members of Council and an external adviser.

The Committee's work plan during 2023-24 included: a review of succession planning arrangements for the senior management team; a benchmark review of remuneration within the scope of the Committee; a review of the components and objectives of the senior management reward scheme; and consideration of ACCA's people strategy as a whole.

The Committee has also taken external independent advice from reward consultants Aon. This advice related to external benchmarking data and market practice.

The Committee will be required to use their discretion and report on whether the remuneration policy operated as intended and what (if any) changes were required.

The Chief Executive, the Secretary (in his role as Secretary to the Committee) and other members of staff may attend meetings at the invitation of the Committee Chair. No Executive is present when their own remuneration is discussed.

The members of Remuneration Committee during the year and their attendance at meetings were:

		Meetings attended
Chair:	Datuk Zaiton Mohd Hassan, FCCA	2/2
Other members:	Victoria Ajayi, FCCA	2/2
	Natalie Chan, FCCA CFA (to 9/11/23)	2/2
	Sharon Critchlow, FCCA CFP Chartered FCSI	2/2
	Cristina Gutu, FCCA DiplFR CPC	2/2
	Gary Kent, FCCA CPA, CGA, ICD.D (from 9/11/23)	0/0
	Nauman Asif Mian, FCCA ACA CIA (to 9/11/23)	2/2
	Joe O'Regan, FCCA (from 9/11/23)	0/0
	Siobhan Pandya, FCCA (to 9/11/23)	2/2
	Jennifer Tan Yuen Chun, FCCA (from 9/11/23)	0/0
External adviser	Ernest Wong, FCCA FCA FCPA CFA MSc (Oxon)	2/2
	Jackie Waller (to 26/9/23)	2/2
	Teresa Harding (from 26/9/23)	1/1

Details of the terms of reference for Remuneration Committee are available from secretariat@accaglobal.com

Regulatory Board

ACCA's Regulatory Board brings together all of ACCA's public interest oversight functions into a single entity. The Board's public interest role sits at the heart of ACCA's oversight structure and it provides independent oversight over all of ACCA's public interest oversight functions – complaints and discipline, education and learning, examinations, licensing monitoring and professional and ethical standards.

The Regulatory Board is supported in its work by three sub-boards; the Appointments, Qualifications and Standards Boards. Each is constituted as a self-standing board, with each having – with the exception of the chair who is appointed by the Regulatory Board and drawn from its membership – separate personnel to the Regulatory Board to enable the Regulatory Board to take a more detached view of the work of the sub-boards.

Regulatory Board (continued)

The remit of the Regulatory Board is to provide independent oversight of ACCA's regulatory arrangements for complaints and discipline, education and learning, examinations, licensing and practice monitoring, and to report to ACCA's Council on the fairness and impartiality of these activities. Placing oversight of ACCA's regulatory arrangements at 'arm's length' from the governance of its other activities helps to demonstrate to stakeholders that ACCA's arrangements are operated impartially, with integrity and in the public interest. The Regulatory Board comprises an independent Lay (i.e. non-accountant) Chair, five lay members and two members of ACCA's Council.

The Regulatory Board is supported in its oversight activities by its three sub-boards:

- **Appointments Board** – is responsible for the appointment, assessment and removal of panel members (including chairs), disciplinary assessors, regulatory assessors and legal advisers that are required for a robust disciplinary and regulatory process. The Board has four members, including a Regulatory Board-appointed lay chair, and is entirely composed of lay members to ensure that the appointment of disciplinary and regulatory chairs, committee members, assessors and legal advisers remains at furthest possible arm's length from Council.
- **Qualifications Board** – is responsible for general oversight of ACCA's education and learning framework and examination arrangements. This includes ratification of the examination results and other matters relating to the integrity of the qualifications process. The Board has six members and comprises a Regulatory Board-appointed chair, three lay members and two Council members.
- **Standards Board** – is responsible for ensuring ACCA's *Rulebook* is compliant with ACCA's statutory obligations, Privy Council requirements and rule change decisions by Council, by providing the detailed scrutiny and due diligence to the proposed changes to ACCA's rules, regulations and the code of ethics and conduct. The Board has four members and comprises a Regulatory Board-appointed chair, two lay members and a Council member.

The members of the Regulatory Board during the year and their attendance at Board meetings were:

		Meetings attended
Chair:	Lucy Winskell, OBE DL	4/4
Lay members:	Richard Cooper, IEE/IET	4/4
	Amin Dawuda, BA (Hons)	4/4
	Paul Layzell, CBE, DL, CEng/CITP, FBCS, FHEA (from 9/11/23)	1/2
	William Matthews, C.Eng, MIET, MCIM	2/4
	Nora Nanayakkara, BA MBA (to 12/9/23)	2/2
	Tom Spender, LLB	4/4
Members from Council:	Liz Blackburn, FCCA, Chartered MCSI	4/4
	Cathal Cusack, FCCA (from 9/11/23)	2/2
	Den Surfraz, FCCA (to 9/11/23)	2/2

Profiles of the Board members can be found on ACCA's website (accaglobal.com). The Regulatory Board's Terms of Reference are also available from ACCA's website at [Regulatory board | ACCA Global](#)

Lay members receive a small retainer and an attendance fee per meeting.

The Regulatory Board and its sub-boards are supported internally by the ACCA Secretariat.

1	About ACCA and this report
2	Our 2023-24 highlights
3	Leadership messages
4	ACCA's strategy and 2023-24 performance
5	Value creation model
6	The global context, stakeholders and materiality
7	Delivering on sustainability
8	Risks and their management
9	Governance, leadership and people
10	The new ACCA strategy, measures and targets
11	Financial statements

International Assembly

ACCA's International Assembly is a diverse representative group of ACCA members whose role is to provide input into strategy and development through its advisory role to Council. The International Assembly was formed in recognition of ACCA's growth with an increasingly diverse and mobile membership. There are 60 representatives on the International Assembly, representing all regions where there are ACCA members. The International Assembly meets virtually at least twice a year and contributes to the formulation and development of Council's strategy by ensuring that it reflects and is relevant to the challenges facing the organisation and its members globally.

Details of the terms of reference of the International Assembly are available on request from ACCA.

Senior management and remuneration

The chief executive and five executive directors (year ended 31 March 2023: five) form the Executive Board and are responsible for the day-to-day management of ACCA on behalf of Council and for the implementation of Council policy.

The total salary (including bonus and allowance paid) and benefits of the chief executive in the year ended 31 March 2024 was £500,828 (year ended 31 March 2023: £507,386). This includes a fixed non-pensionable allowance in lieu of pension benefits for the chief executive – see 'Pensions and Benefits' below.

When reviewing the salaries of the members of the Executive Board, the Remuneration Committee takes into account the salary increases applying to the rest of the workforce and external benchmark data. External benchmark data is obtained on pay in other professional membership associations (including a subgroup of accountancy associations) and general industry data for organisations of a similar size.

ACCA utilises contribution-based pay where employees' salaries are reviewed based upon their performance in role and position in range.

The base salaries of the chief executive and executive directors at 31 March 2024 and 31 March 2023 are shown below on a banded basis.

	Number of employees (2023-24)	Number of employees (2022-23)
£380,000 – £409,999	1	1
£260,000 – £289,999	1	1
£230,000 – £259,999	4	4

Pensions and Benefits

The chief executive and executive directors in the defined benefit pension scheme ceased accruing benefits in July 2013 at which point all employees were provided with defined contribution benefits from the UK's existing defined contribution pension plan. The decision to close the defined benefit pension scheme reflected the need to ensure that the benefits delivered are sustainable for the longer term.

Two of the Executive Board are contributing members of the defined contribution pension plan in the UK. All employees close to the lifetime allowance may elect to take a non-consolidated cash allowance in lieu of employer pension contributions and three Executive Board members, including the chief executive, have previously made this election.

All UK employees (including the Executive Board UK members) can receive up to 9% of salary as an employer contribution (dependent on an employee contribution of at least 6% of salary) and are able to participate in the flexible benefits offering which is available to all ACCA UK-based employees.

1	About ACCA and this report
2	Our 2023-24 highlights
3	Leadership messages
4	ACCA's strategy and 2023-24 performance
5	Value creation model
6	The global context, stakeholders and materiality
7	Delivering on sustainability
8	Risks and their management
9	Governance, leadership and people
10	The new ACCA strategy, measures and targets
11	Financial statements

Pensions and Benefits (continued)

It is ACCA's policy to provide the following Group funded benefits to each UK member of the Executive Board:

- Private Healthcare (family cover)
- Bi-annual Health screening
- Group income protection
- Life insurance
- Critical illness cover

The non-UK members of the Executive Board are provided with similar benefits, as applicable, aligned to their geographic location.

Executive Board Reward Plan

On an annual basis, the Remuneration Committee uses the corporate strategic measures and targets agreed by Council Board to determine the reward plan for the Executive Board for that year. This arrangement is structured to reward behaviour and performance that is appropriate for ACCA and focus the organisation on those elements of ACCA's Strategy which Council Board believes require the greatest focus at a particular point in time.

Under the reward plan, members of the Executive Board are eligible to receive a maximum payment of 25% of base salary per annum of which 21% is assessed against ACCA performance over the financial year and the remaining 4% is determined by personal performance. The Remuneration Committee determines the level of award up to 21% achieved against ACCA targets for all executive directors alongside the level of award against personal targets for the chief executive. In turn, the chief executive determines how much of the 4% personal performance award is allocated to each of the executive directors. The chief executive is not present when her remuneration is discussed.

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

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

Employee Disciplinary Arrangements

A legal review of the employment contracts in place for senior staff has previously been undertaken to assess them against the fundamental principles of the ACCA Code of Ethics. The review confirmed that current employment contracts are consistent with all of the code's principles and in terms of employment law are in line with best practice in all material respects.

The review, which ACCA still considers relevant, established unequivocally that appropriate arrangements are in place to address any disciplinary issues which may arise.

Employees

ACCA is committed to ensuring that employees are engaged in their work and committed to ACCA's goals and values. Further details about ACCA's commitments to and engagement with staff are included in ACCA's Integrated Report.

1	About ACCA and this report
2	Our 2023-24 highlights
3	Leadership messages
4	ACCA's strategy and 2023-24 performance
5	Value creation model
6	The global context, stakeholders and materiality
7	Delivering on sustainability
8	Risks and their management
9	Governance, leadership and people
10	The new ACCA strategy, measures and targets
11	Financial statements

ACCA's commitments to Sustainable Development

ACCA's purpose, values and strategy closely align to the UN Sustainable Development Goals (SDGs). In December 2020, ACCA set out its commitments to the SDGs, which will be delivered by 2030 in line with the UN's decade of action.

ACCA believes that it can make the most significant contribution by supporting and empowering our proud, connected community. It is in a strong position to positively influence governments, policy makers and regulators on sustainability matters, and develop the profession in alignment with the SDGs. Commitments are being made as an employer and in relation to operations, including the commitment to becoming Net Zero by 2045.

In March 2021, ACCA agreed its approach to embedding the commitments and using them to inform how the strategy is delivered. During the year ended 31 March 2024, ACCA continued to deliver against specific areas of focus in relation to sustainable development, as with previous years. The Integrated Report updates stakeholders on progress in relation to sustainable development. Further details can be found in this year's Integrated Report.

Climate Change Disclosures

Legislation now exists in the UK for all large companies to provide information in accordance with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations for accounting periods starting on or after 6 April 2022. ACCA is also a strong supporter of the global sustainability reporting standards published by the International Sustainability Standards Board. While ACCA is currently not in scope for reporting in relation to TCFD, we have drawn on the ISSB standards as guidance in our reporting and we're committed to adopting the ISSB standards in our reporting from 2024-25. In the meantime ACCA has provided information on its commitment to achieving net zero by 2045 in the Integrated Report. ACCA will consider climate reporting requirements, how we identify and respond to climate-related issues, and assess the impact on ACCA's future financial statements as reporting in this area evolves.

General Data Protection Regulation (GDPR)

ACCA has policies, privacy statements and procedures to comply with the GDPR and provides training to all staff as appropriate.

Council members' confirmation

In so far as each of the Council members are aware, they have taken all the steps that they ought to have taken to make themselves aware of any relevant information needed by ACCA's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The Council members are not aware of any relevant audit information of which the auditor is unaware.

Report from the Audit Committee

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements**

Role of the Committee

The Audit Committee reports to the Council Board and its activities are guided by terms of reference approved by Council.

The Committee provides oversight of the financial information published by ACCA, ensuring that appropriate internal controls and processes are in place to safeguard the integrity of that information. The Committee also oversees the relationship with the external auditor, ensuring that appropriate processes are in place for the appointment and remuneration of the auditor and that the auditor's independence is not compromised. The Committee is also responsible for reviewing the effectiveness of ACCA's risk management processes and processes for ensuring compliance with governance arrangements across its operations globally.

The Chair of the Committee provides an annual report to Council and reports to the Council Board following each meeting on the Committee's activities, both carried out and planned.

Details of the terms of reference for Audit Committee are available on request from ACCA.

Committee membership

Lock Peng Kuan chairs the Audit Committee. He is a fellow of ACCA and has been a member of Council since 2018. Lock is the Managing Partner in audit & assurance at Baker Tilly Malaysia. He is also a member of the Malaysian Institute of Accountants, where he sits on the Capital Market Advisory Committee. Council therefore considers that he has had recent relevant financial experience. The remaining Committee members, noted below, are all fellows of ACCA and also have extensive business experience.

The members of Audit Committee during the year and their attendance at meetings were:

		Meetings attended
Chairs:	Susan Allan, FCCA (to 9/11/23)	2/2
	Lock Peng Kuan, FCCA (from 9/11/23)	1/1
Other members:	Michelle Hourican, FCCA MSc CIPPe (to 9/11/23)	2/2
	Babajide Ibironke, FCCA FCA FCTI F.I.o.D (to 9/11/23)	2/2
	Dinesh Jangid, FCCA (from 9/11/23)	1/1
	Lock Peng Kuan, FCCA (to 9/11/23)	2/2
	Oxana Losevskaya, FCCA	3/3
	Philip Maher, FCCA	3/3
	Gillian McCreadie, FCCA	3/3
	Ian Ng, FCCA (from 9/11/23)	1/1
	Marta Rejman, FCCA	3/3
	Shujuan (Jane) Yang, FCCA (from 9/11/23)	1/1

The Audit Committee met three times during the year.

Appointments to the Committee are made by the Nominating and Governance Committee and are for a one-year term. The Chair of the Committee may serve for a maximum of three years. Meetings are scheduled to ensure that matters in Council's annual work plan which relate to Audit Committee responsibilities are considered on a timely basis.

Both the external auditor and the Head of Internal Audit have direct access to the Chair and are entitled to attend Committee meetings.

In making appointments to the Audit Committee, Nominating and Governance Committee considers the following specific skills criteria:

- experience in the operations of a large and complex organisation
- extensive knowledge and experience of ACCA's strategies and activities
- knowledge and experience of risk management and internal control processes
- suitably inquisitive nature to ensure that matters before the Committee are subject to appropriate and robust scrutiny
- recent experience/knowledge of current financial reporting/auditing standards
- awareness of good corporate governance practices
- experience of working with an Audit Committee.

Significant issues related to the financial statements

The Committee considered the following matters, which it considers to be significant, in its review of the financial statements. In arriving at its view of these matters, the Committee made appropriate challenges of management to receive the required assurances.

- **Revenue recognition, including the completeness, existence and accuracy of income recognised in the year** – ACCA's main income is derived from subscription income and examination income. A key risk is that recognition of those income streams is incorrect due to timing differences in the key business processing dates and the financial year-end. Following the implementation of IFRS 15 *Revenue from Contracts with Customers* the Committee has challenged management that proper processes are in place to ensure that income is recognised in the correct period. The Committee has also placed reliance on the historic accuracy of income cut-off and an adjustment to income is made each year which reflects the anticipated value of income reversed due to the removal of members and future members. Due to the impacts of inflation and other macro-economic issues, the Committee challenged management in relation to IFRS 9 *Financial Instruments* and the possibility of higher expected credit losses. Under IFRS 9, ACCA has reviewed its expected credit losses in relation to members and future members being unable to pay fees and subscriptions and is satisfied that the level of expected credit losses is appropriate. Based on scrutiny by the Committee, it is satisfied that these removals relate mainly to members and future members billed in advance of services being provided. The Committee agrees with management's representation of income.
- **Valuation and presentation of retirement benefit scheme assets and liabilities** – the assumptions used by management for the IAS 19 valuation are derived in consultation with ACCA's external pension consultant. The consultant undertakes appropriate benchmarking to ensure that the assumptions fall within an acceptable range. Accounting disclosures required by IAS 19 are provided by the Scheme Actuaries of the UK and Irish Schemes using the assumptions agreed by management. Those accounting disclosures are reviewed by the pension consultant for reasonableness. The Committee is satisfied that the reliance of management on the pension consultant and Scheme Actuaries results in appropriate accounting for and disclosure of pension matters.
- **Going concern** – Management has continued to consider ACCA's ability to continue as a going concern and how that impacts the financial statements of ACCA. The Committee challenged management in their accounting and assessment of going concern on the financial statements which includes:
 - Appropriateness of going concern in the preparation of financial statements in accordance with IAS 1 Presentation of Financial Statements
 - Changes in expected credit losses on financial assets in accordance with IFRS 9 Financial Instruments
 - Sensitivities of key performance drivers such as recruitment, retention and exam entries
 - Potential impact of contingent tax liabilities or further disposal of leases
 - Impacts of inflation, interest rate increases and other macro-economic issues
 - Other considerations such as breach of the terms of contracts and effect of changes in circumstances which may affect recognition and measurement of revenue, deferred tax liabilities, as well as disclosure and presentation of financial statements

Based on the evidence provided and audit scrutiny the Committee is satisfied with the approach adopted by management and that the financial statements can be prepared on the going concern basis.

1	About ACCA and this report
2	Our 2023-24 highlights
3	Leadership messages
4	ACCA's strategy and 2023-24 performance
5	Value creation model
6	The global context, stakeholders and materiality
7	Delivering on sustainability
8	Risks and their management
9	Governance, leadership and people
10	The new ACCA strategy, measures and targets
11	Financial statements

External Audit

In keeping with good governance practice, ACCA's policy is to conduct a tender for the provision of external audit services every five years. Grant Thornton UK LLP were proposed for reappointment in July 2020 following a tender process and ratified by Council, in line with bye-law 40. They were formally reappointed at the 2020, 2021, 2022 and 2023 Annual General Meetings.

Prior to recommending reappointment to Council, the Committee undertakes a detailed performance review of the external auditor, which includes consideration of the FRC Audit Quality Review reports as available. A resolution regarding reappointment is considered at each AGM.

Auditor's independence, effectiveness and objectivity

The Audit Committee monitors non-audit services being provided to ACCA by the external auditor to ensure that any services provided do not impair their independence or objectivity. All non-audit services are required to be pre-approved by the Chair of the Committee if the value is above £10k or 20% of the estimated annual level of the Auditor's fee. Details of the amounts paid to the external auditor and other advisors during the year for the audit of ACCA, its pension schemes, additional services relating to the audit of the corporate key performance indicators and non-audit services are set out in note 12 to the financial statements.

The Audit Committee is responsible to Council for ensuring that the external auditor remains independent of ACCA in all material respects and that they have adequate resources available to them to enable the delivery of an objective audit to the membership.

The external auditor is required to rotate the audit partner responsible for ACCA audits in accordance with Financial Reporting Council (FRC) guidance.

Risk management

Audit Committee, as delegated by Council, has responsibility for reviewing the effectiveness of the internal controls established by management including the risk management process. The Executive Board has responsibility for designing, implementing and maintaining systems consistent with this policy. The Executive Board does this through a process of delegating to ACCA management the responsibility for identifying, assessing and reporting risks, and recording results in a hierarchy of risk registers. Risk registers are regularly reviewed by the Executive Board and, where appropriate, risks are escalated to the overarching Corporate Risk register. The Audit Committee reviews the Corporate Risk register at each meeting.

These procedures are designed to identify and manage those risks that could adversely impact the achievement of ACCA's strategy and objectives. While they do not provide absolute assurance against material misstatements or loss, Council is of the opinion that proper systems of risk management and internal control are in place within ACCA.

Internal Audit

Representatives from ACCA's Internal Audit function are invited to attend each Audit Committee meeting where assurance is provided that internal control activities, which have been subject to audit, are operating effectively.

Internal Audit produces a risk based annual plan which sets out its priorities and audit programme for the year ahead. The key driver of the plan is ACCA's Corporate Risk Register and the Strategy to 2025. The plan is approved by the Committee in advance of each year and reviewed at each Committee meeting during the year to ensure that satisfactory progress is being made both with the plan and with the implementation of any recommendations arising from the reviews undertaken. If any such recommendations are unreasonably, in the opinion of the Audit Committee, rejected or delayed by management, then these would be reported to Council. No such report was necessary in the year ended 31 March 2024.

1	About ACCA and this report
2	Our 2023-24 highlights
3	Leadership messages
4	ACCA's strategy and 2023-24 performance
5	Value creation model
6	The global context, stakeholders and materiality
7	Delivering on sustainability
8	Risks and their management
9	Governance, leadership and people
10	The new ACCA strategy, measures and targets
11	Financial statements

Activity during the year

During the year ended 31 March 2024, Audit Committee has:

- reviewed the annual accounts for the year ended 31 March 2023 and recommended to Council that they be approved
- reviewed the structure and content of the Integrated Report
- considered ACCA's strategic risks and underlying risk management procedures
- reviewed the effectiveness of ACCA's internal controls and noted the updates
- reviewed ACCA's fraud/whistleblowing notifications
- received reports from the external auditor
- reviewed the policy on auditors providing non-audit services
- agreed the fees and terms of appointment of the external auditor and considered audit quality and effectiveness
- approved the audit fees for the year ended 31 March 2024
- agreed the approach for the audit tender to be conducted during 2024/25
- received reports from the internal auditor
- received reports from the Corporate Assurance function, which included Information Security, and monitored progress with the implementation of the recommendations arising from those
- reviewed ACCA's global procurement processes
- reviewed the Committee's own effectiveness and submitted an annual report on its performance to Nominating and Governance Committee
- met with both internal audit and the external auditor without management present
- received training on various subjects to enhance the Committee's knowledge in respect of specific matters.

Subsequent to the year-end, the Committee has recommended to the Council Board that it recommends to Council, that Council approves the annual accounts for the year ended 31 March 2024. The Committee has also considered that the Integrated Report and financial statements, taken as a whole, are fair, balanced and understandable and provide information necessary for members to assess ACCA's performance, business model and strategy. The Committee will be concluding its recommendation on the appointment of auditors in advance of the AGM in November.

Summary

The Committee has fulfilled the responsibilities of its terms of reference throughout the year.

Lock Peng Kuan

Lock Peng Kuan
Chair of the Audit Committee
Date: 5/7/2024

Report of the Independent Auditor

Jump to:

Opinion

Our opinion on the group financial statements is unmodified

We have audited the group financial statements of the Association of Chartered Certified Accountants and its subsidiary undertakings (the 'group') for the year ended 31 March 2024, which comprise the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Members' Funds, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the group financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2024 and of its surplus for the year then ended; and
- have been properly prepared in accordance with UK-adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the group financial statements' section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group to cease to continue as a going concern.

Our evaluation of the Council's assessment of the group's ability to continue to adopt the going concern basis of accounting included but was not restricted to:

- obtaining and understanding management's assessment of going concern based on what they have prepared and challenging the assumptions used in the cash flow forecasts;
- challenging management on key assumptions driving the forecasts and the scope of scenario planning undertaken;
- corroborating management assumptions through discussions with wider members of the entity outwith the finance team (in-house tax and legal) and knowledge of the business;
- obtaining management's reverse stress test and downside scenarios, which reflect management's assessment of uncertainties. The assumptions regarding the forecast period and reduced trading levels, together with any available mitigating actions, were evaluated for plausibility;
- evaluating the policies and disclosures in respect of going concern given in the financial statements for appropriateness.

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

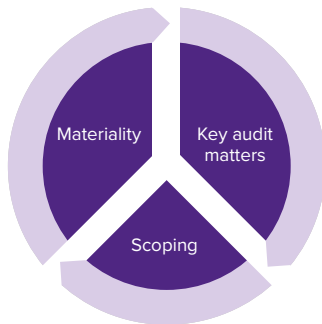
In our evaluation of the Council's conclusions, we considered the inherent risks associated with the group's business model including effects arising from macro-economic uncertainties such as cost of living and inflationary pressures, we assessed and challenged the reasonableness of estimates made by the Council and the related disclosures and analysed how those risks might affect the group's financial resources or ability to continue operations over the going concern period.

In auditing the group financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the group financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the group financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council with respect to going concern are described in the relevant sections of this report.

Our approach to the audit



Overview of our audit approach

Overall materiality: £4,774k which represents 2% of the group's total income.

Key audit matters were identified as:

- Revenue recognition (same as previous year)

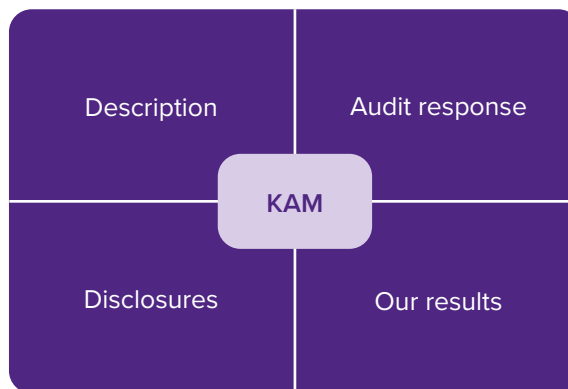
Our auditor's report for the year ended 31 March 2023 included one key audit matter that has not been reported as key audit matter in our current year's report. This relates to the accuracy of the defined benefit pension scheme liabilities. The exclusion of this matter in our current year's report reflects our risk assessment, as there has been no change in the scheme nor any underlying complicated calculations.

We undertook an audit of financial information of the following components using component materiality (full scope audit) on the significant group components, being the Association of Chartered Certified Accountants (parent company) and Certified Accountants Investment Company Limited. We undertook an audit of specified audit procedures (specified audit procedures) on ACCA (Shanghai) Consulting Co Limited. This gave us coverage of 97% of total income and 96% of total assets.

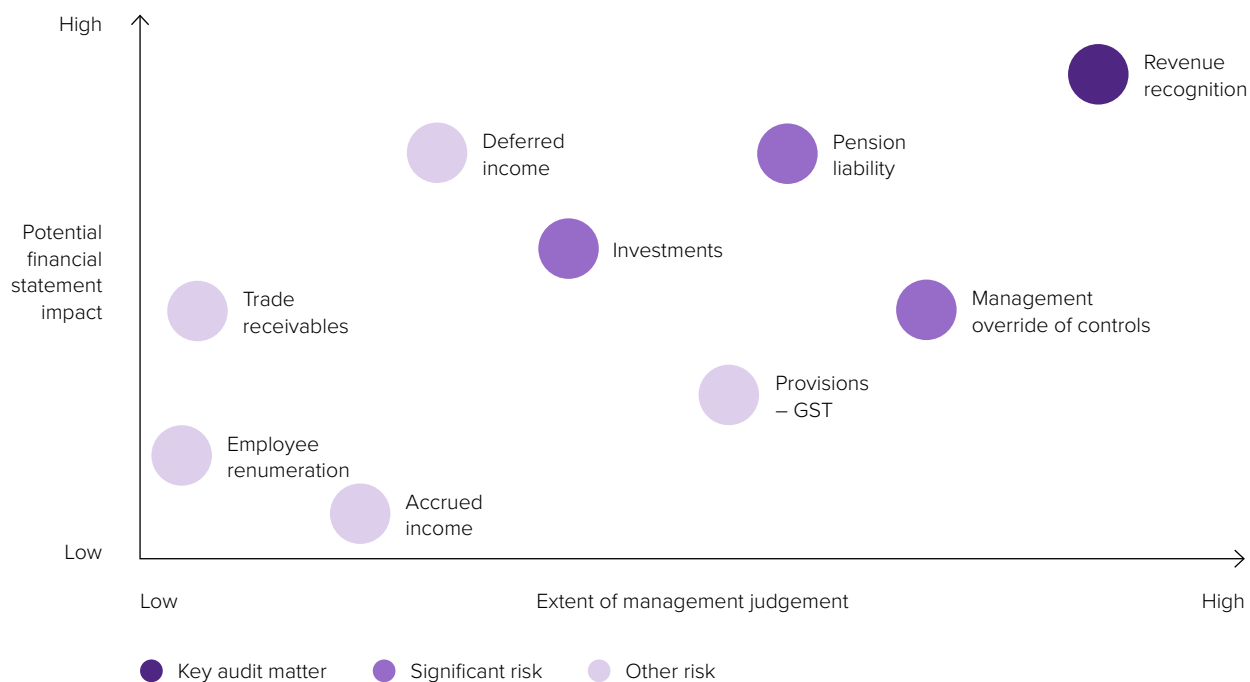
Due to the UK sanctions, imposed following the outset of the Russia/Ukraine conflict - the Russia (Sanctions) (EU Exit) Regulations 2019 (as amended) - we have not performed any audit procedures or inquiries in respect of the group's Russian operations. We note the Russian component is insignificant to the overall group and is quantitatively immaterial to the group financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



In the graph below, we have presented the key audit matters, significant risks and other risks relevant to the audit.



Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 **Financial statements**

Key audit matter	How our scope addressed the matter	Jump to:
<p>Revenue recognition</p> <p>We identified accuracy of revenue recognition as one of the most significant assessed risks of material misstatement due to fraud.</p> <p>Revenue from fees and subscriptions together with qualifications and exams, totalled £238,709k for the year ended 31 March 2024 (2023: £219,799k).</p> <p>The ACCA make an annual manual adjustment to income to reflect the anticipated value of income reversed due to removal of students and members as a result of non-payment of subscriptions and/or fees.</p> <p>The adjustment is based on historical experience in each geographic location the ACCA operates in to determine the number of members to be struck off. The estimate is subject to possible management bias as there may be an incentive to inflate member numbers. There is a risk that the associated significant income streams of fees and subscriptions are not recognised in the correct financial year or in line with both IFRS15 ‘Revenue from Contracts with Customers’ and IFRS 9 ‘Financial Instruments’.</p>	<p>In responding to the key audit matter, we performed the following audit procedures:</p> <ul style="list-style-type: none"> Assessed the revenue recognition policy to check whether it is in accordance with IFRS15 ‘Revenue from Contracts with Customers’; Substantively tested a sample of revenue recognised in the year from subscriptions, exams and practicing certificates to invoices and supporting documentation to confirm members were active and to assess whether revenue was recognised in the correct period and that the amount was consistent with the published pricing for each type of service provided; Performed substantive analytical procedures by developing an expectation of total revenue recognised from different revenue streams as well as for deferred and accrued income based on source data; Substantively tested a sample of individuals removed through the strike-off adjustment by tracing the corresponding ID’s of the individuals to the system to ensure they have been inactive for the correct amount of time required before being removed; and Confirmed the completeness of the adjustment by tracing items included in our prior year debtors testing which had been provided for within the Expected Credit Loss provision were then subsequently captured as part of the current year strike off process and removed from the ledgers. 	<p>1 About ACCA and this report</p> <p>2 Our 2023-24 highlights</p> <p>3 Leadership messages</p> <p>4 ACCA’s strategy and 2023-24 performance</p> <p>5 Value creation model</p> <p>6 The global context, stakeholders and materiality</p> <p>7 Delivering on sustainability</p> <p>8 Risks and their management</p> <p>9 Governance, leadership and people</p> <p>10 The new ACCA strategy, measures and targets</p>
<p>Relevant disclosures in the Consolidated Financial Statements</p> <ul style="list-style-type: none"> Financial statements: Note 2 Critical accounting estimates and judgements (cii) - Revenue recognition; Note 6 Operating income; Note 7 Subscriptions. Audit committee report: Significant issues relating to the financial statements – Revenue recognition, including the completeness, existence and accuracy of income recognised in the year. 	<p>Our results</p> <p>Based on our audit work, our testing did not identify any evidence of material misstatement in respect of revenue recognition.</p>	<p>11 Financial statements</p>

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements

Our application of materiality

We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

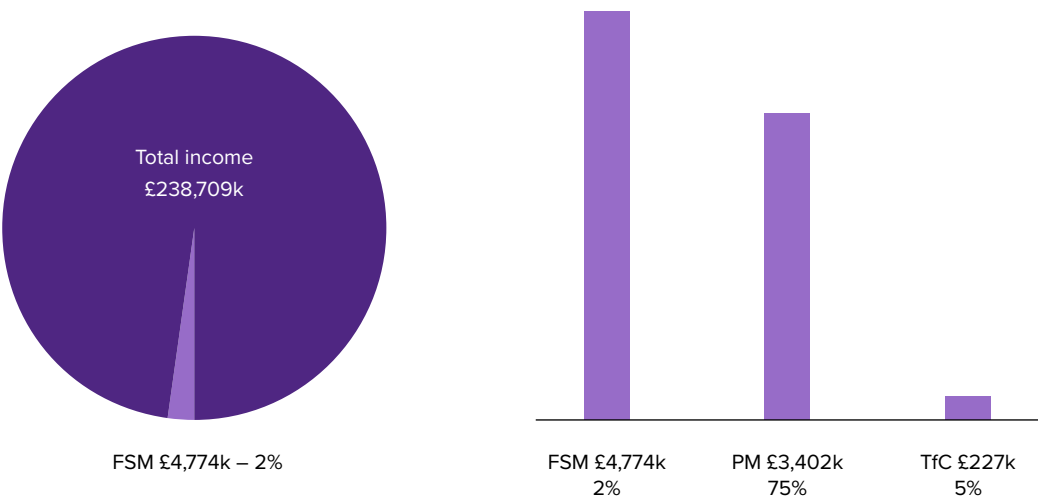
Materiality was determined as follows:

Materiality measure	Group
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.
Materiality threshold	£4,774k (2023: £4,396k), which represents 2% of total income.
Significant judgements made by auditor in determining materiality	<p>In determining materiality, we made the following significant judgements: Total income was considered the most appropriate benchmark given the Council's focus on vision (i.e. member retention) and value (i.e. progression of exam entries, percentage of affiliates achieving membership within four years). After reviewing industry competitors' benchmarks and the risk associated with the audit, we have determined 2% of total income to be an appropriate benchmark.</p> <p>Materiality for the current year is higher than the level that we determined for the year ended 31 March 2023 to reflect the increase in total income in the year.</p>
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.
Performance materiality threshold	£3,402k (2023: £3,297k), which is 75% (2023: 75%) of financial statement materiality.
Significant judgements made by auditor in determining performance materiality	In determining performance materiality, we considered a number of factors which could impact the probability that the aggregate of all uncorrected and undetected misstatements exceeds materiality. These factors include objectives, strategies, business risks, fraud risks and previously identified misstatements. In addition to these, we have considered our risk assessment of controls and utilised prior year knowledge and experience from the audit to determine the performance materiality amount.

Materiality measure	Group
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.
Specific materiality	<p>We determined a lower level of specific materiality for the following areas:</p> <ul style="list-style-type: none"> • Key management personnel remuneration and • Related parties
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.
Threshold for communication	227k (2023: £220k), which represents 5% of total materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the threshold for communication to the audit committee.

Overall materiality



FSM: Financial statement materiality
PM: Performance materiality, components
TfC: Threshold for communication to the audit committee

Jump to:

- 1 About ACCA and this report
- 2 Our 2023-24 highlights
- 3 Leadership messages
- 4 ACCA's strategy and 2023-24 performance
- 5 Value creation model
- 6 The global context, stakeholders and materiality
- 7 Delivering on sustainability
- 8 Risks and their management
- 9 Governance, leadership and people
- 10 The new ACCA strategy, measures and targets
- 11 Financial statements**

An overview of the scope of our audit

We performed a risk-based audit that requires an understanding of the group's business and in particular matters related to:

Understanding the group, its components, and their environments, including group-wide controls

- Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determines the scope of our audit work for each component within the group, which when taken together, enables us to form an audit opinion on the group financial statements;
- We considered size, risk profile, changes in the business environment and other factors when assessing the level of work to be performed on each component;
- We obtained an understanding of the component-level controls of the group, which assisted us in identifying and assessing the risks of material misstatement due to fraud or error, as well as assisting us in determining the most appropriate audit strategy; and
- Due to the UK sanctions, imposed following the onset of the Russia/Ukraine conflict - the Russia (Sanctions) (EU Exit) Regulations 2019 (as amended) – we have not performed any audit procedures or inquiries in respect of the group's Russian operations. We note the Russian component is insignificant to the overall group and is quantitatively immaterial to the group financial statements and as such this has not impacted our ability to form an opinion over the group financial statements.

Identifying significant components

- The group audit team evaluated components to assess their significance and determined the planned audit response based on a measure of materiality. Significance was determined as a percentage of key sections as compared to the total group position. Benchmarks considered to determine significance included total income and total assets.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

- We have tailored our audit response accordingly, and all work, including audit procedures that respond to the key audit matters were undertaken directly by the group engagement team.
- We performed a full-scope audit on the parent entity and Certified Accountants Investment Company Limited.
- We performed specified audit procedures on the financial information of the component (specified audit procedures) on ACCA (Shanghai) Consulting Co Limited.
- For all other entities (excluding ACCA Russia Limited), we performed analytical procedures, using group materiality.

Jump to:

1 About ACCA and this report

2 Our 2023-24 highlights

3 Leadership messages

4 ACCA's strategy and 2023-24 performance

5 Value creation model

6 The global context, stakeholders and materiality

7 Delivering on sustainability

8 Risks and their management

9 Governance, leadership and people

10 The new ACCA strategy, measures and targets

11 Financial statements

Performance of our audit

- In total, 97% of group income and 95% of total assets were subject to full-scope audit procedures, with 1% of total assets being subject to specified audit procedures. The remaining revenues and assets being subject to analytical procedures to group materiality with the exception of those that fall within ACCA Russia Ltd.
- An internal specialist team was engaged in evaluating the group's internal control environment, including its IT systems and controls, in respect of one accounting system utilised within the revenue process.

Audit approach	No. of components	% coverage total assets	% coverage revenue
Full-scope audit	2 (2023: 2)	95 (2023: 92)	97 (2023: 97)
Specified audit procedures	1 (2023: 2)	1 (2023: 2)	0 (2023: 0)
Analytical procedures	59 (2023: 55)	4 (2023: 6)	3 (2023: 3)
Total	62 (2023: 59)	100	100

Changes in approach from previous period

- The subsidiary in Tanzania has been removed from specified audit procedures owing to its financial insignificance in context of the group as a whole.

Other information

The other information comprises the information included in the consolidated financial statements other than the financial statements and our auditor's report thereon. The Council are responsible for the other information contained within the consolidated financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Council

As explained more fully in the Statement of Council's responsibilities set out on page 47, the Council are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of group financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group financial statements, the Council are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

1	About ACCA and this report
2	Our 2023-24 highlights
3	Leadership messages
4	ACCA's strategy and 2023-24 performance
5	Value creation model
6	The global context, stakeholders and materiality
7	Delivering on sustainability
8	Risks and their management
9	Governance, leadership and people
10	The new ACCA strategy, measures and targets
11	Financial statements

Auditor's responsibilities for the audit of the group financial statements

Our objectives are to obtain reasonable assurance about whether the group financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those related to the reporting framework (UK-adopted international accounting standards);
- We understood how the group is complying with the relevant legal and regulatory frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures, and other senior members of the team as deemed reasonable, such as in-house legal and tax departments;
- We corroborated our enquiries through the checking of Council and Audit Committee minutes, and Internal Audit reports, as well as making further enquiries with those charged with governance. All parties confirmed they were not aware of any instances of non-compliance and nor did they have any knowledge of actual, suspected, or alleged fraud;
- We reviewed internal audit reports to identify any control deficiencies, non-compliance with regulatory framework, the use of whistleblowing facilities and alleged instances of fraud;
- We assessed the susceptibility of the group's financial statements to material misstatements, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the group financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to journal entries relating to judgemental areas of income (for example the strike off provision), potential management bias in determining estimates relating to provisions, pension assets and liabilities, recoverability of intercompany balances and right of use assets. Audit procedures performed by the group engagement team included:
 - assessing the design and implementation of controls and journal testing and any journal entries which were inconsistent with our expectations based on the understanding gained;
 - utilising actuarial experts for areas of high judgement (specifically pension liability assumptions such as discount rates, inflation and mortality assumptions);
 - challenging judgements, assumptions and estimates utilised in relation to potential management bias;
 - In addition to this, we completed audit procedures in relation to the estimates and judgements that comprise the basis of preparation of the financial statements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

Jump to:

1 About ACCA
and this report

2 Our 2023-24
highlights

3 Leadership
messages

4 ACCA's strategy
and 2023-24
performance

5 Value creation
model

6 The global context,
stakeholders
and materiality

7 Delivering on
sustainability

8 Risks and their
management

9 Governance,
leadership
and people

10 The new ACCA
strategy, measures
and targets

**11 Financial
statements**

- The engagement partner assessed the appropriateness of the collective competence and capabilities of the engagement team which included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of similar nature and complexity through appropriate training and participation;
 - the specialist skills required in relation to valuation of pension liability assumptions and specific tax provisions;
 - knowledge of the industry in which the client operates; understanding of the legal and regulatory requirements specific to the group; including the provision of the applicable legislation and statutory provisions;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal experts and specialists, and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout;
- In assessing the potential risk of material misstatement, we obtained an understanding of the entity's operations (including the nature of its income streams, account balances, expected disclosures and business risks) and the entity's control environment;
- No component auditors were engaged as part of the group audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Use of our report

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



Grant Thornton UK LLP

Statutory Auditor
Chartered Accountants
Glasgow
Date: 5/7/2024



ACCA
The Adelphi
1/11 John Adam Street
London WC2N 6AU
United Kingdom

info@accaglobal.com
accaglobal.com

The information contained in this publication is provided for general purposes only. While every effort has been made to ensure that the information is accurate and up to date at the time of going to press, ACCA accepts no responsibility for any loss which may arise from information contained in this publication. No part of this publication may be reproduced, in any format, without prior written permission of ACCA.

© ACCA 2024

Think Ahead