

# financial statements.

For the year ended 31 March 2025.



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# Consolidated five-year summary.

## ACCA and subsidiaries

	Mar 2025 £'000	Mar 2024 £'000	Mar 2023 £'000	Mar 2022 £'000	Mar 2021 £'000
Operating income	250,883	238,709	219,799	221,558	212,089
Operating surplus	914	13,933	4,799	1,063	4,590
Other (losses)/gains	(2,766)	(1,789)	(291)	79	(2,171)
Net finance income/(losses)	6,460	6,899	(629)	(2,004)	9,600
Surplus/(deficit) before tax	4,608	19,043	3,879	(862)	12,019
Tax	(998)	(779)	(984)	(2,324)	(1,802)
Surplus/(deficit) for the year	3,610	18,264	2,895	(3,186)	10,217
Recognition of actuarial gains/(losses)	1,799	(7,727)	(4,414)	15,704	(5,509)
Other comprehensive income excluding actuarial gains/(losses)	(135)	(732)	587	399	71
Total other comprehensive income/(losses)	1,664	(8,459)	(3,827)	16,103	(5,438)
<b>Total comprehensive income/(losses)</b>	<b>5,274</b>	<b>9,805</b>	<b>(932)</b>	<b>12,917</b>	<b>4,779</b>
Non-current assets	96,636	98,425	97,407	113,605	110,161
Current assets	133,949	124,557	107,168	112,944	122,639
<b>Total assets</b>	<b>230,585</b>	<b>222,982</b>	<b>204,575</b>	<b>226,549</b>	<b>232,800</b>
Non-current liabilities	6,704	13,251	11,590	26,254	47,304
Current liabilities	163,571	154,695	147,754	154,132	152,250
<b>Total liabilities</b>	<b>170,275</b>	<b>167,946</b>	<b>159,344</b>	<b>180,386</b>	<b>199,554</b>
Accumulated fund	60,524	55,115	44,578	45,709	33,579
Other reserves	(214)	(79)	653	454	(333)
Total funds and reserves	60,310	55,036	45,231	46,163	33,246
<b>Total reserves and liabilities</b>	<b>230,585</b>	<b>222,982</b>	<b>204,575</b>	<b>226,549</b>	<b>232,800</b>

## Members and future members

	Mar 2025	Mar 2024	Mar 2023	Mar 2022	Mar 2021
Members	257,956	252,562	247,734	240,952	233,019
Future members	530,124	526,106	526,520	541,930	536,815
	788,080	778,668	774,254	782,882	769,834

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

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# Foreword.

These consolidated financial statements present the results for ACCA and its subsidiaries for the year ended 31 March 2025.

ACCA publishes a separate annual 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 annual 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 annual integrated report to enable readers to locate specific information that may be of interest to them.

Management commentary – key headings	Content	Annual integrated report reference
Introduction	Context and basis of preparation	About ACCA and this 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 Risks and their management Governance, leadership and people
Strategy and strategic outcomes	Strategic priorities Mapping priorities to outcomes	ACCA's strategy and 2024-25 performance
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	Governance, leadership and people Risks and their management
Strategic outcomes – review of performance	KPI results v target	ACCA's strategy and 2024-25 performance
Financial review*	Supplementary financial information	ACCA's strategy and 2024-25 performance
Social and environmental impact	Our approach to sustainability and significant developments	Delivering on sustainability and where material embedded in other sections throughout the annual integrated report
Outlook for next year	Strategic focus for 2025-26	Where deemed material, we have included future prospects and actions throughout the report.

Readers of these financial statements are encouraged to access our annual integrated report, which can be found at: [accaglobal.com](https://accaglobal.com)

Read the **integrated report**



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\*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.

# Consolidated income statement

for the year ended 31 March 2025

		31 Mar 2025 £'000	31 Mar 2024 £'000
Notes			
	<b>Income</b>		
<b>6</b>	Operating income	<b>250,883</b>	238,709
	<b>Total income</b>	<b>250,883</b>	238,709
	<b>Expenditure</b>		
<b>8</b>	Operational expenditure	<b>209,785</b>	199,513
<b>9</b>	Strategic investment expenditure	<b>40,184</b>	25,263
	<b>Total expenditure</b>	<b>249,969</b>	224,776
	<b>Operating surplus</b>	<b>914</b>	13,933
<b>10</b>	Other losses	<b>(2,766)</b>	(1,789)
<b>11a</b>	Income from investments	<b>7,958</b>	7,560
<b>11b</b>	Finance costs	<b>(1,498)</b>	(661)
<b>12</b>	<b>Surplus before tax</b>	<b>4,608</b>	19,043
<b>13</b>	Tax	<b>(998)</b>	(779)
	<b>Surplus for the year</b>	<b>3,610</b>	18,264

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The accompanying notes to the financial statements, on pages 9 to 43, are an integral part of this statement.

# Consolidated statement of other comprehensive income

for the year ended 31 March 2025

	31 Mar 2025 £'000	31 Mar 2024 £'000
Notes		
<b>Surplus for the year</b>	<b>3,610</b>	18,264
Other comprehensive income		
Items that will not be reclassified to income or expenditure		
<b>22</b> Recognition of actuarial gains/(losses)	<b>1,799</b>	(7,727)
	<b>1,799</b>	(7,727)
Items that will be subsequently reclassified to income or expenditure		
<b>26</b> Currency translation differences	<b>(135)</b>	(732)
	<b>(135)</b>	(732)
Other comprehensive income/(loss) for the year, net of tax	<b>1,664</b>	(8,459)
<b>Total comprehensive income for the year</b>	<b>5,274</b>	9,805

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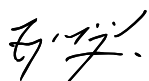
The accompanying notes to the financial statements, on pages 9 to 43, are an integral part of this statement.

# Consolidated statement of financial position

as at 31 March 2025

		31 Mar 2025 £'000	31 Mar 2024 £'000
Notes			
	<b>Assets</b>		
	<b>Non-current assets</b>		
<b>14</b>	Property, plant and equipment	<b>11,018</b>	15,833
<b>15</b>	Intangible assets	<b>713</b>	1,075
<b>16</b>	Non-current financial assets	<b>84,905</b>	81,517
		<b>96,636</b>	98,425
	<b>Current assets</b>		
<b>17</b>	Trade and other receivables	<b>38,112</b>	33,064
<b>16</b>	Other current financial assets	<b>48,468</b>	48,525
<b>18</b>	Derivative financial instruments	<b>19</b>	55
<b>19</b>	Cash and cash equivalents	<b>47,350</b>	42,913
		<b>133,949</b>	124,557
	<b>Total assets</b>	<b>230,585</b>	222,982
	<b>Reserves and liabilities</b>		
	<b>Funds and reserves</b>		
	Accumulated fund	<b>60,524</b>	55,115
<b>26</b>	Currency reserve	<b>(214)</b>	(79)
	<b>Total funds and reserves</b>	<b>60,310</b>	<b>55,036</b>
	<b>Non-current liabilities</b>		
<b>20</b>	Lease liabilities	<b>4,729</b>	7,659
<b>22</b>	Retirement benefit obligations	<b>1,975</b>	5,592
		<b>6,704</b>	13,251
	<b>Current liabilities</b>		
<b>23</b>	Trade and other payables	<b>48,826</b>	44,831
<b>20</b>	Lease liabilities	<b>2,836</b>	3,882
<b>24</b>	Deferred income	<b>102,835</b>	98,152
<b>18</b>	Derivative financial instruments	<b>1,799</b>	231
<b>25</b>	Provisions	<b>7,275</b>	7,599
		<b>163,571</b>	154,695
	<b>Total liabilities</b>	<b>170,275</b>	167,946
	<b>Total reserves and liabilities</b>	<b>230,585</b>	222,982

The financial statements were approved and authorised for issue by Council on 3 July 2025 and signed on its behalf by:



**Ayla Majid**, President



**Lock Peng Kuan**, Chair of Audit Committee

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# Consolidated statement of changes in members' funds

for the year ended 31 March 2025

	Currency reserve £'000	Accumulated fund £'000	Total funds £'000
<b>Balance at 1 April 2023</b>	<b>653</b>	<b>44,578</b>	<b>45,231</b>
<b>Comprehensive income</b>			
Surplus for the financial year	–	18,264	18,264
<b>Other comprehensive income</b>			
Currency translation	(732)	–	(732)
Recognition of net actuarial losses	–	(7,727)	(7,727)
Total other comprehensive loss	(732)	(7,727)	(8,459)
Total comprehensive (loss)/income for year	<b>(732)</b>	<b>10,537</b>	<b>9,805</b>
<b>Balance at 31 March 2024</b>	<b>(79)</b>	<b>55,115</b>	<b>55,036</b>
<b>Comprehensive income</b>			
Surplus for the financial year	–	3,610	3,610
<b>Other comprehensive income</b>			
Currency translation	(135)	–	(135)
Recognition of net actuarial gains	–	1,799	1,799
Total other comprehensive income	<b>(135)</b>	<b>1,799</b>	<b>1,664</b>
Total comprehensive (loss)/income for year	<b>(135)</b>	<b>5,409</b>	<b>5,274</b>
<b>Balance at 31 March 2025</b>	<b>(214)</b>	<b>60,524</b>	<b>60,310</b>

The analysis of reserves is presented in note 26.

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# Consolidated cash flow statement

for the year ended 31 March 2025

		31 Mar 2025 £'000	31 Mar 2024 £'000
Notes			
	<b>Cash flows from operating activities</b>		
<b>30</b>	Cash generated from operations	<b>6,729</b>	16,966
	Tax paid	<b>(1,407)</b>	(757)
	<b>Net cash from operating activities</b>	<b>5,322</b>	16,209
	<b>Cash flows from investing activities</b>		
<b>14</b>	Purchase of property, plant and equipment	<b>(1,151)</b>	(853)
<b>15</b>	Purchase of intangible assets	<b>–</b>	(144)
<b>16</b>	Purchase of financial assets	<b>(72,006)</b>	(59,881)
<b>30</b>	Proceeds from disposal of property, plant and equipment	<b>8</b>	273
<b>16, 30</b>	Proceeds from disposal of financial assets	<b>72,640</b>	59,205
<b>11</b>	Interest received	<b>1,471</b>	1,393
<b>11</b>	Dividends received	<b>2,522</b>	1,526
	<b>Net cash generated from investing activities</b>	<b>3,484</b>	1,519
	<b>Cash flows from financing activities</b>		
<b>20</b>	Repayment of lease liabilities	<b>(3,704)</b>	(4,168)
<b>30</b>	Lease termination payment	<b>(96)</b>	–
<b>11</b>	Interest paid	<b>(48)</b>	(138)
<b>11</b>	Interest expense on lease liabilities	<b>(299)</b>	(435)
<b>11</b>	Interest expense on dilapidations provision	<b>(149)</b>	(149)
	<b>Net cash used in financing activities</b>	<b>(4,296)</b>	(4,890)
	<b>Net increase in cash and cash equivalents</b>	<b>4,510</b>	12,838
	Cash and cash equivalents at beginning of year	<b>42,913</b>	30,616
	Exchange losses on cash and cash equivalents	<b>(73)</b>	(541)
<b>19</b>	<b>Cash and cash equivalents at end of year</b>	<b>47,350</b>	42,913

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# Notes to the financial statements

for the year ended 31 March 2025

## 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 new IFRSs and minor amendments to existing standards which were effective from 1 January 2024 or subsequent years, some of which have not yet been endorsed in the UK. With the exception of IFRS 18, as set out below, none of them are expected to have a material effect on ACCA.

Certain new standards, amendments to accounting standards and interpretations have been published which are not mandatory for 31 March 2025 reporting periods and have not been adopted early. These standards, amendments or interpretations are not expected to have a material impact on ACCA in the current or future reporting periods and on foreseeable future transactions.

### New and revised IFRS in issue but not yet effective

As at 31 March 2025, the following new standards, interpretations and amendments were issued but not yet effective and have not been applied in these financial statements:

#### ■ 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.

#### ■ IFRS 18 – Presentation and Disclosure in Financial Statements

The standard sets out overall requirements for the presentation and disclosure in financial statements. It introduces new categories and subtotals in the income statement and sets out new principles for the aggregation and disaggregation of information to ensure that financial statements provide a clear and detailed view of a company's financial position and performance. The new standard will also require additional disclosure regarding management-defined performance measures.

#### ■ IFRS 19 – Subsidiaries without Public Accountability: Disclosures

The standard specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.

#### ■ IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, adds guidance on the SPPI criteria and includes updated disclosures for certain instruments.

#### ■ Amendments to IAS 21 – Lack of exchangeability

The amendments clarify when a currency is exchangeable and how to determine the exchange rate when it is not.

The new standards, interpretations and amendments are not expected to have a material effect on ACCA's future financial statements, other than IFRS 18. No other amendments or standards had any impact on ACCA's financial statements for the current year.

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

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## 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 2024/25.

In the realistic worst-case scenario, the lowest value of cash is £1.8m at November 2026. 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 2026.

No allowance was made for corrective action to maintain budgetary control in these scenarios.

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 judgements and key sources of estimation

The preparation of the consolidated financial statements requires ACCA to make certain accounting estimates, judgements and assumptions 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.

### 2 Significant accounting policies (continued)

#### c Critical accounting judgements and key sources of estimation (continued)

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.

##### 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. These circumstances, such as wind-up or buy-out of the scheme, augmentation of benefits, amendment to scheme rules, are within the control of ACCA. Management has also considered the minimum funding requirements under IFRIC 14 and is satisfied that it is not applicable. Therefore ACCA considers that it has an unconditional right to a refund assuming the gradual settlement of scheme liabilities over time until all members have left the scheme and that it is appropriate to recognise the IAS 19 valuation in full, whether that is a surplus or deficit, in the statement of financial position.

In 2024 the Virgin Media v NTL Pension Trustees II Ltd court case appeal decision raised questions as to the legal validity of scheme amendments made in previous years where s37 actuarial certificates cannot be traced. Management have made the judgement that for ACCA, a number of significant unknown factors mean that a reasonable estimate of any likely impact is impractical. Therefore no adjustment has been made in the financial statements. Further details are disclosed in note 22.

##### ii 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.

##### iii 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.

## 2 Significant accounting policies (continued)

### c Critical accounting judgements and key sources of estimation (continued)

#### iv 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 the 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.

#### 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.



### 2 Significant accounting policies (continued)

#### 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 2024 and 31 March 2025. 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.

#### 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.

## 2 Significant accounting policies (continued)

### 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.

#### ■ 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.

### 2 Significant accounting policies (continued)

#### 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.

#### l 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.

### 2 Significant accounting policies (continued)

#### l Leased assets (continued)

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.

#### 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.

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### 2 Significant accounting policies (continued)

#### 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 scheme

At the year-end, ACCA has a closed defined benefit pension scheme in the UK which requires contributions to be made to separately administered funds. During the year the buy-out of the closed defined benefit scheme in Ireland was concluded. 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.

#### 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.

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### 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 95.6% of ACCA's trade and other receivables were held in sterling (2024: 92.9%).

#### 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 (2024: £48.5m) in short-term cash funds, £24.4m (2024: £23.3m) in cash deposits and £22.9m (2024: £19.6m) 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.

#### 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.

3 Financial risk management (continued)  
Market risk (continued)

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 84% of ACCA's cash and cash equivalents were held in sterling (2024: 83%).

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 £6.4m (2024: £6.1m) 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 £6.4m (2024: £6.1m).

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.
- 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. 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 financial performance, ACCA has not required to draw down on the facility during the year ended 31 March 2025.
- 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 £4.0m during the year ended 31 March 2025 (2024: gains of £4.6m).

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### 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 and credit card charges
- 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: Employees, 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, exams 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, guides the level of accumulated fund. At 31 March 2025, the accumulated fund represented 75 days of operating expenditure (31 March 2024: 72 days) which is above the long-term guide 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.

## Notes to the financial statements for the year ended 31 March 2025

	31 Mar 2025 £'000	31 Mar 2024 £'000
<b>6 Operating income</b>		
Met over time		
Admission and registration fees	12,564	13,039
Subscriptions (see note 7)	118,796	111,438
Regulation and discipline	7,789	7,313
Point in time		
Examinations	89,435	83,826
Exemptions	13,592	14,749
Other income	8,707	8,344
	<b>250,883</b>	238,709
<b>7 Subscriptions</b>		
Members	65,341	61,416
Future members	53,455	50,022
	<b>118,796</b>	111,438
<b>8 Operational expenditure</b>		
Corporate	14,213	15,081
Content, quality and innovation	36,983	35,343
Relationships	31,161	28,936
Strategy and governance	23,697	21,494
People and transformation	13,951	12,249
Finance and operations	89,780	86,410
	<b>209,785</b>	199,513
<b>9 Strategic investment expenditure</b>		
Digital transformation	33,250	18,924
Innovation in Learning and Assessment (formerly Exams delivery)	2,569	1,623
Workplace transformation	3,330	1,386
Strategic efficiency	311	1,917
Meet compliance	597	990
Customer solutions	66	—
Portfolio management	61	423
	<b>40,184</b>	25,263

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 focusing on customer facing portals and online sales platforms. The Innovation in Learning and Assessment programme is developing our exams platform to ensure it remains relevant to our future members. Workplace transformation relates to the costs involved by ACCA to embrace digital technology to be able to thrive in a rapidly changing world. The Strategic efficiency project was initiated to consider changes necessary within ACCA's operational environment to maintain financial sustainability.

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## Notes to the financial statements for the year ended 31 March 2025

	31 Mar 2025 £'000	31 Mar 2024 £'000
<b>10 Other (losses)/gains</b>		
Forward currency contracts	(1,604)	278
Net foreign exchange losses	(1,162)	(2,067)
	<b>(2,766)</b>	<b>(1,789)</b>

### 11 Income from investments and finance costs

#### a Income from investments

Interest receivable	1,471	1,393
Dividends from investments	2,522	1,526
Realised gains on disposals of investments	1,883	477
Unrealised gains on change of fair value of investments	2,082	4,164
	<b>7,958</b>	<b>7,560</b>

#### b Finance costs

Net finance interest on defined benefit pension schemes	(1,002)	61
Interest expense for leasing arrangements	(299)	(435)
Interest expense for dilapidations provision	(149)	(149)
Other interest payable	(48)	(138)
	<b>(1,498)</b>	<b>(661)</b>

### 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:

Salaries	73,864	69,013
Social security costs	8,224	8,190
Pension costs (note 22)	9,103	6,999
Other staff costs	2,617	2,379
	<b>93,808</b>	<b>86,581</b>

#### Average number of staff employed during the year

Employees	1,390	1,331
Full-time equivalents	1,349	1,310

The average annual salary per employee was £53,150 (31 March 2024: £51,850). 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 £221.8m (31 March 2024: £210.0m) is stated net of adjustments to revenue relating to the non-renewal of subscriptions and exemptions amounting to £16.7m (31 March 2024: £17.4m).

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## Notes to the financial statements for the year ended 31 March 2025

### 12 Surplus before tax (continued)

#### c Depreciation, amortisation and foreign exchange losses

	31 Mar 2025 £'000	31 Mar 2024 £'000
Depreciation of property, plant and equipment (note 14)	<b>4,849</b>	5,351
Amortisation of intangible assets (note 15)	<b>362</b>	348
Foreign exchange losses	<b>1,163</b>	2,066

#### d Auditors' remuneration

Fees payable to ACCA's auditor, Grant Thornton UK LLP, for the audit of		
– the parent undertaking and consolidated financial statements	<b>157</b>	142
– UK subsidiaries	<b>54</b>	89
– the ACCA Staff Pension Scheme	<b>14</b>	13
	<b>225</b>	244

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

– audit of non-UK subsidiaries	<b>8</b>	7
– taxation services in China	<b>6</b>	12
– non-audit services in China	<b>73</b>	5
– taxation services in Vietnam	<b>24</b>	22
	<b>111</b>	46

Fees payable to ACCA's other auditors for

– audit fees for non-UK subsidiaries and charities	<b>132</b>	99
– audit fees for the corporate KPIs	<b>7</b>	6
	<b>139</b>	105

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### 13 Tax

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

	31 Mar 2025 £'000	31 Mar 2024 £'000
Current income taxes at 25% (2024: 25%) on the surplus for the year	937	868
Under/(over) provision in respect of prior year	61	(89)
	<b>998</b>	<b>779</b>

The current tax charge is split as follows:

Domestic	657	56
Foreign	341	723
	<b>998</b>	<b>779</b>

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	4,608	19,043
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Surplus before tax multiplied by the standard rate of UK Corporation tax of 25% (2024: 25%)

	1,152	4,761
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Effects of:

Under/(over) provision in prior years	61	(89)
Overseas withholding taxes suffered as a deduction	661	498
Non-taxable income	(2,334)	(2,801)
Expenditure not deductible for tax purposes	348	212
Loss relief	–	(1,383)
Deferred tax asset not recognised	1,110	(419)
	<b>(154)</b>	<b>(3,982)</b>

**Total tax charge**

	<b>998</b>	<b>779</b>
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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.

## Notes to the financial statements for the year ended 31 March 2025

### 14 Property, plant and equipment

	Property £'000	Leasehold improve- ments £'000	Plant & equipment £'000	Computer systems & equipment £'000	Total £'000
<b>Cost or valuation</b>					
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
Additions	1,626	171	81	470	2,348
Disposals	(6,164)	(2,224)	(717)	(1,739)	(10,844)
Exchange difference	(193)	(82)	(59)	(32)	(366)
<b>At 31 March 2025</b>	<b>24,263</b>	<b>8,135</b>	<b>4,444</b>	<b>20,886</b>	<b>57,728</b>
<b>Accumulated depreciation</b>					
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
Depreciation charge	3,419	776	120	534	4,849
Eliminated on disposals	(4,894)	(1,409)	(661)	(1,689)	(8,653)
Exchange difference	(98)	(72)	(50)	(23)	(243)
<b>At 31 March 2025</b>	<b>17,602</b>	<b>4,785</b>	<b>4,265</b>	<b>20,058</b>	<b>46,710</b>
<b>Carrying amount</b>					
<b>At 31 March 2025</b>	<b>6,661</b>	<b>3,350</b>	<b>179</b>	<b>828</b>	<b>11,018</b>
At 31 March 2024	9,819	4,780	283	951	15,833

Depreciation of £4.8m (2024: £5.4m) 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

	<b>£'000</b>
Property	<b>6,661</b>

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## Notes to the financial statements for the year ended 31 March 2025

### 15 Intangible assets

	Internally generated intangible assets £'000	Third party intangible assets £'000	Total £'000
<b>Cost</b>			
At 1 April 2023	17,603	2,214	19,817
Additions	–	144	144
At 31 March 2024	17,603	2,358	19,961
Additions	–	–	–
<b>At 31 March 2025</b>	<b>17,603</b>	<b>2,358</b>	<b>19,961</b>
<b>Accumulated amortisation and impairment</b>			
At 1 April 2023	17,304	1,234	18,538
Amortisation charge	76	272	348
At 31 March 2024	17,380	1,506	18,886
Amortisation charge	76	286	362
<b>At 31 March 2025</b>	<b>17,456</b>	<b>1,792</b>	<b>19,248</b>
<b>Carrying amount</b>			
<b>At 31 March 2025</b>	<b>147</b>	<b>566</b>	<b>713</b>
At 31 March 2024	223	852	1,075

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 two and three years.

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### 16 Financial assets

#### At valuation

	31 Mar 2025 £'000	31 Mar 2024 £'000
At 1 April	130,042	124,725
Additions	72,006	59,881
Disposals	(72,640)	(58,728)
Unrealised gains transferred to income and expenditure	3,965	4,164
At 31 March	133,373	130,042
Historical cost of tradable investments	124,485	122,814

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	748	350
Overseas equities	13,079	10,434
Fixed interest government bonds	157	220
Fixed interest non-government bonds	17,369	19,619
Inflation-linked bonds	6,575	8,796
Absolute return	2,745	3,404
Multi asset credit	29,339	15,729
Property and property debt	5,282	7,170
Alternatives	2,498	7,123
Total return	1,234	1,529
Cash and deposits	5,879	7,143
	84,905	81,517

##### Current

Cash funds	48,468	48,525
	133,373	130,042

Financial assets are denominated in the following currencies

UK Pound	125,273	125,565
US Dollar	5,146	2,493
Euro	878	591
Japanese Yen	564	561
Other currencies	1,512	832
	133,373	130,042



## 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 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
At 31 March 2025				
Quoted equity	67	–	–	67
Observable inputs	48,468	79,556	–	128,024
Unobservable inputs	–	–	5,282	5,282
Total	48,535	79,556	5,282	133,373

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 the total commitment to the funds over the period of investment is £18m. At the statement of financial position date ACCA had a potential commitment to invest up to a further £6.3m (2024: £7.3m) in the property debt funds.

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### 17 Trade and other receivables

	31 Mar 2025 £'000	31 Mar 2024 £'000
Trade receivables	25,274	24,149
Expected credit loss allowance	(1,983)	(3,317)
Trade receivables – net	23,291	20,832
Accrued income	1,715	1,804
Prepayments	9,977	8,891
Taxation recoverable	963	554
Other receivables	2,166	983
	38,112	33,064

Trade receivables is stated net of an adjustment of £17.7m (2024: £18.7m) 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 £0.6m, related to this adjustment, which had been overprovided at the previous year end (2024: £0.1m overprovided) 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 2025, trade receivables of £20.2m (2024: £18.5m) were past due but not impaired. The aging analysis of these trade receivables is as follows:

	31 Mar 2025 £'000	31 Mar 2024 £'000
31-60 days	2,697	2,731
61-90 days	2,523	2,119
91-120 days	13,024	10,863
Over 120 days	1,979	2,744
	20,223	18,457

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

At 1 April	3,317	1,913
Receivables impaired during the year	2,939	2,537
Receivables written off during the year as uncollectible	(1,298)	(396)
Amounts recovered which were previously provided for	(2,975)	(737)
At 31 March	1,983	3,317

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### 18 Derivative financial instruments

	31 Mar 2025		31 Mar 2024	
	Assets £'000	Liabilities £'000	Assets £'000	Liabilities £'000
Forward foreign exchange contracts	19	(1,799)	55	(231)
	19	(1,799)	55	(231)

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 consolidated income statement.

The amount recognised in the consolidated income statement that arises from the forward foreign exchange contracts amounted to a loss of £1.8m (31 March 2024: gain of £0.3m).

#### Forward foreign exchange contracts

The notional principal amounts of the outstanding forward foreign exchange contracts at 31 March 2025 was £33.1m (31 March 2024: £23.8m).

### 19 Cash and cash equivalents

	31 Mar 2025 £'000	31 Mar 2024 £'000
Cash at bank and in hand	22,923	19,570
Short-term bank deposits	24,427	23,343
	47,350	42,913

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 4.52% (2024: 5.02%) and these deposits have an average maturity of 25 days (2024: 24 days).

### 20 Leases

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

#### Right-of-use assets

Property	6,662	9,819
Lease liabilities:		
Current	2,836	3,882
Non-current	4,729	7,659
	7,565	11,541

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### 20 Leases (continued)

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

	31 Mar 2025 £'000	31 Mar 2024 £'000
At 1 April	11,541	14,502
Addition of new leases	1,197	1,463
Disposals	(1,469)	(256)
Lease repayments	(4,003)	(4,603)
Interest costs	299	435
At 31 March	7,565	11,541

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

#### Depreciation charge of right-of-use assets

Property	3,419	3,671
Interest expense (included in finance cost)	299	435

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.

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 March 2025 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
<b>31 March 2025</b>							
Lease payments	3,015	1,411	1,289	1,060	967	252	7,994
Finance charges	(179)	(109)	(71)	(40)	(15)	(15)	(429)
<b>Net present values</b>	<b>2,836</b>	<b>1,302</b>	<b>1,218</b>	<b>1,020</b>	<b>952</b>	<b>237</b>	<b>7,565</b>
<b>31 March 2024</b>							
Lease payments	4,186	3,414	1,254	1,189	998	1,177	12,218
Finance charges	(304)	(163)	(96)	(63)	(37)	(14)	(677)
<b>Net present values</b>	<b>3,882</b>	<b>3,251</b>	<b>1,158</b>	<b>1,126</b>	<b>961</b>	<b>1,163</b>	<b>11,541</b>

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20 Leases (continued)

During the year ACCA disposed of the lease for the 3rd floor at 110 Queen Street in Glasgow. Following negotiations with the landlord and a third party, the lease was taken over by the third party and ACCA paid a settlement of £96k to the landlord. On termination of the lease there was a loss on disposal of the lease asset of £923k in addition to the settlement payment, both of were included within operating expenditure, resulting in a net loss of £1.02m.

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	34
Range of remaining term	1 month to 5 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 2025	31 Mar 2024
	£'000	£'000
Short-term leases	577	606
	577	606

At 31 March 2025 ACCA was committed to short-term leases and the total commitment at that date was £577k (31 March 2024: £606k).

At 31 March 2025 ACCA had five (31 March 2024: none) 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 £652k (31 March 2024: £nil).

Total cash outflow for leases for the year ended 31 March 2025 was £3.7m (2024: £4.2m).

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21 Deferred tax liabilities

Deferred tax liabilities are calculated in full on temporary differences using a principal tax rate of 25% (2024: 25%). There were no deferred tax liabilities recognised by ACCA during the year and ACCA has no deferred tax assets.

	31 Mar 2025 £'000	31 Mar 2024 £'000
Deferred tax liabilities		
As at 1 April 2024 and 31 March 2025	-	-

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 Irish Life in Ireland. Contributions are invested with Aegon in the UK and with Irish Life in Ireland.

During the year ended 31 March 2024, ACCA and the trustees of the Irish Scheme agreed to wind up the Irish Scheme and following legal and actuarial advice, a settlement agreement had been signed in December 2023. ACCA made a final one-off payment of €100,000 to the Scheme 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 took place in May 2024 via a bulk annuity purchase with Irish Life. The final accounts of the Scheme were approved by the trustees in August 2024 and the final Deed of Discharge was signed by the trustees and ACCA on 12 November 2024.

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.

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 2025. 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.



## Notes to the financial statements for the year ended 31 March 2025

### 22 Retirement benefit obligations (continued)

#### a General information (continued)

Assuming retirement at 65, the life expectancies in years of the members of the UK Scheme are as follows:

	31 Mar 2025	31 Mar 2024
For a male aged 65 now	21.6	21.7
At 65 for a male aged 45 now	22.6	22.6
For a female aged 65 now	24.2	24.1
At 65 for a female aged 45 now	25.3	25.2

In accordance with IFRIC14, the UK 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.

#### b Pension costs

	31 Mar 2025 £'000	31 Mar 2024 £'000
The total pension charge is made up as follows:		
Pension costs under the UK and Irish Schemes	1,002	(61)
Payments to defined contribution schemes for certain employees outside the UK and Ireland	689	385
Payments to defined contribution schemes for certain employees in the UK and Ireland	7,404	6,646
Payments for the Pensions Protection Fund levies	8	29
Pension costs	9,103	6,999
Actuarial (gains)/losses recognised in the statement of other comprehensive income for the period	(1,799)	7,727

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.

The amounts recognised in total comprehensive income for the Schemes are as follows:

Net interest	197	(63)
Settlement cost	805	2
Net pension costs under the Schemes	1,002	(61)

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## 22 Retirement benefit obligations (continued)

### 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 UK Scheme following an actuarial valuation 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, the buy-out of the Irish Scheme was formally completed during the year and no further contributions are payable in respect of it. In respect of other overseas schemes, it is expected that ACCA will contribute on average 9% of pensionable salary in the coming year.

	31 Mar 2025 £'000	31 Mar 2024 £'000
<b>d Movement in the net liability/(asset) recognised in the statement of financial position</b>		
At 1 April	5,592	871
Net pension costs	1,002	(61)
Contributions paid	(2,820)	(2,946)
Recognition of actuarial (gains)/losses	(1,799)	7,727
Exchange difference	–	1
At 31 March	1,975	5,592

### e Pension benefits

Amounts recognised in the statement of financial position to reflect funded status

Present value of funded obligations	89,564	105,997
Fair value of plan assets	(87,589)	(100,405)
Net liability in the statement of financial position at 31 March	1,975	5,592

### f Change in benefit obligation

Present value of benefit obligation at 1 April	105,997	105,673
Interest on obligation	4,850	4,798
Benefits paid	(3,223)	(3,618)
Settlements paid	(2,826)	(232)
Gain from change in demographic assumptions	(143)	(318)
Gain from change in financial assumptions	(14,574)	(3,042)
(Gain)/loss from experience	(435)	2,840
Exchange difference	(82)	(104)
Present value of benefit obligation at 31 March	89,564	105,997

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	65,226	78,361
Pensioners	24,196	27,493
Former members due benefits as a result of a rules review	142	143
Present value of benefit obligation at 31 March	89,564	105,997

## Notes to the financial statements for the year ended 31 March 2025

### 22 Retirement benefit obligations (continued)

	31 Mar 2025 £'000	31 Mar 2024 £'000
<b>h Change in plan assets</b>		
Fair value of plan assets at 1 April	100,405	104,802
Interest income	4,653	4,860
Actual return on assets less interest	(13,353)	(8,241)
Actual return on plan assets	(8,700)	(3,381)
Contributions – employer	2,820	2,946
Benefits paid	(3,223)	(3,618)
Settlements paid	(3,631)	(230)
Exchange difference	(82)	(114)
Fair value of plan assets at 31 March	87,589	100,405

### i Plan assets

The major categories of plan assets are as follows:

	Fair Value Hierarchy	31 Mar 2025 £'000	%	31 Mar 2024 £'000	%
UK equities		220	0.3	200	0.2
North American equities		4,062	4.6	3,845	3.8
European equities		558	0.6	585	0.6
Japanese equities		361	0.4	373	0.4
Asia Pacific equities		144	0.2	149	0.1
Emerging markets equities		936	1.1	807	0.8
Total equities	Level 2	6,281	7.2	5,959	5.9
LDIs	Level 2	56,150	64.1	56,488	56.3
Multi Asset Credit Funds	Level 2	17,905	20.4	20,141	20.1
Property	Level 3	6,000	6.9	6,240	6.2
Liquidity funds	Level 2	528	0.6	329	0.3
Cash	Level 1	725	0.8	11,248	11.2
		87,589	100.0	100,405	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 (2024). 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.

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## Notes to the financial statements for the year ended 31 March 2025

### 22 Retirement benefit obligations (continued)

#### j Sensitivity of overall pension liabilities

	31 Mar 2025 £'000	31 Mar 2024 £'000
Increase in liability through 0.25% reduction in discount rate	2,687	4,240
Increase in liability through 0.25% increase in inflation assumption	1,791	2,120
Increase in liability through increase in rate of mortality by 1 year	1,791	3,180

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

#### k Defined benefit obligation trends

	31 Mar 2025 £'000	31 Mar 2024 £'000	31 Mar 2023 £'000	31 Mar 2022 £'000	31 Mar 2021 £'000
Scheme assets	87,589	100,405	104,802	149,413	143,071
Scheme liabilities	(89,564)	(105,997)	(105,673)	(148,895)	(160,887)
Scheme (deficit)/surplus	(1,975)	(5,592)	(871)	518	(17,816)

#### l Other information

During the previous 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 had gone to appeal to be heard in July 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. The appeal was dismissed and there is a risk that 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 there was significant uncertainty as to whether the judgments would result in additional liabilities for UK pension schemes and it was possible that the Department of Work & Pensions could introduce legislation to allow changes to be certified retrospectively. On 5 June 2025, the UK Government announced that it will legislate to allow retrospective actuarial certification for historic benefit changes and this is expected to remove the majority of issues from this case. ACCA intend to review the situation with the trustees once that legislation is published but do not expect any material liability impact to the Scheme from this case.

### 23 Trade and other payables

	31 Mar 2025 £'000	31 Mar 2024 £'000
Trade and other creditors	23,511	14,813
Social security and other taxes	6,237	7,125
Accrued expenses	19,078	22,893
	48,826	44,831

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

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**31 Mar**  
**2025**  
**£'000**

31 Mar  
2024  
£'000

### 24 Deferred income

Deferred income **102,835** 98,152

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 £98.2m (2024: £92.0m) included within the deferred income balance at the beginning of the reporting period.

### 25 Provisions

	31 Mar 2024 £'000	Utilised in year £'000	Released in year £'000	Provided in year £'000	Exchange difference £'000	31 Mar 2025 £'000
Legal costs and claims	762	(311)	(178)	1,011	–	<b>1,284</b>
End of service	1,204	(300)	(61)	315	(28)	<b>1,130</b>
Tax	2,161	(530)	(961)	889	–	<b>1,559</b>
Restructuring	290	(20)	(120)	89	–	<b>239</b>
Dilapidations	3,182	(282)	(392)	588	(33)	<b>3,063</b>
<b>Total</b>	<b>7,599</b>	<b>(1,443)</b>	<b>(1,712)</b>	<b>2,892</b>	<b>(61)</b>	<b>7,275</b>

The legal costs and claims provision is management's best estimate of ACCA's liability relating to the costs associated with two ongoing Financial Reporting Council (FRC) investigations and to a provision relating to employees. It also includes an estimate for a legal claim which is commercially sensitive at this time.

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.

The restructuring provision is management's best estimate of ACCA's liability relating to the costs associated with the roles which are at risk or made redundant.

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.

## Notes to the financial statements for the year ended 31 March 2025

### 26 Currency reserve

	<b>Total £'000</b>
Balance at 31 March 2023	653
Currency translation differences	(732)
Balance at 31 March 2024	(79)
Currency translation differences	(135)
<b>Balance at 31 March 2025</b>	<b>(214)</b>

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.

### 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	Ayla Majid (President) Melanie Proffitt (Deputy President) Datuk Zaiton Mohd Hassan (Vice President)
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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 2025)	Victoria Ajayi, Susan Allan, Md Arif Al Islam, Liz Blackburn, Carol-Ann Boothe, Elaine Boyd, Anastasia Chalkidou, Natalie Chan, Sharon Critchlow, Cathal Cusack, Cristina Gutu, Stephen Doyle, Michelle Hourican, Babajide Ibironke, Dinesh Jangid, Gary Kent, Urooj Farhat Khan, Winnie Ki, Lock Peng Kuan, Trusha Lakhani, Fen Nee Lim, James Lizars, Oxana Losevskaya, Philip Maher, Manenzhe Manenzhe, Gillian McCreadie, Qinxue Mei, Nauman Asif Mian, Helen Morgan, Grainne Murphy, Amos Ng, Ian Ng, Joe O'Regan, Oluwaseyi Oshibolu, Joseph Owolabi, Siobhan Pandya, Ronnie Patton, Marta Rejman, Dani Saghafi, Rabia Shaukat, Sallahuddin (Den) Surfraz, Merina Abu Tahir, Jennifer Tan, George Varghese, Nguyen Vu Duc, Dinusha Weerawardane, Ernest Wong, Matthew Wong and Shujuan Yang
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Key management personnel (in post during the year ended 31 March 2025)	Helen Brand (chief executive), Alan Hatfield, Julie Hotchkiss, Raymond Jack, Maggie McGhee and Lucia Real-Martin
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Defined benefit pension schemes	The UK defined benefit pension scheme is a related party. ACCA's transactions with the defined benefit pension scheme relate to contributions paid to the Scheme (see note 22).
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27 Related party transactions (continued)

	31 Mar 2025 £'000	31 Mar 2024 £'000
Related party transactions		
Honorarium to the office holders	13	15
Reimbursement of expenses directly incurred by Council members	133	142

Key management personnel are remunerated as shown below.

Salaries and other short-term employee benefits	2,404	2,237
Post-employment benefits	100	92
	2,504	2,329

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 (2024: 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'.

	Owed	Owed
Related party balances		
Bonuses payable to key management personnel	447	418

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 and Wales	Ordinary shares	Investment company
The Certified Accountants Educational Trust (CAET)	England and Wales	Charitable trust	Educational charity
Certified Accountants Educational Projects Limited	England and Wales	Ordinary shares	Provider of educational supplies and services
Certified Accountant (Publications) Limited	England and Wales	Ordinary shares	Publisher of <i>Accounting and Business</i>

## Notes to the financial statements for the year ended 31 March 2025

### 28 Principal undertakings (continued) Subsidiary undertakings (continued)

	Country of registration	Beneficial holding	Nature of business
Seacron Limited	England and 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
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 and Wales	Ordinary shares	Vehicle for ACCA's operations in Russia
ACCA Ventures Ltd	England and 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

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## Notes to the financial statements for the year ended 31 March 2025

### 28 Principal undertakings (continued) Subsidiary undertakings (continued)

	Country of registration	Beneficial holding	Nature of business
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 and Wales	Ordinary shares	Vehicle for ACCA's operations in Nepal, Poland and 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 and Wales	Ordinary shares	Corporate trustee for CAET
Certified Nominees Ltd	England and 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 UK 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 s477 or s480 of the UK Companies Act 2006 relating to small or dormant companies respectively.

#### Other undertakings

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

### 29 Contingent liabilities

#### Overseas taxation

ACCA continues to monitor the tax legislation of overseas markets where remote selling may result in a tax exposure. ACCA is subject to various digital services taxes (DSTs) and similar taxes in multiple jurisdictions. These taxes are complex and evolving, and there is uncertainty regarding their application and enforcement. ACCA will provide for a tax exposure where management assessment supported by specialist tax advice confirms a liability has arisen. However, the ultimate resolution of this matter may result in liabilities that are materially different from the amounts recorded within the financial statements.

On 29 June 2025 ACCA received a show cause notice of 478.6m INR (£4.1m\*), excluding penalties and interest, from the Indian tax authorities relating to GST on revenue from ACCA's products sold in India. After taking professional advice ACCA believes it is compliant with current tax legislation and proposes to rebut the notice and accordingly no provision has been made.

\* converted at the rate on 29 June 2025 of 117.5 INR to £1

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### 30 Cash flow statement

#### a Cash generated from operations

	31 Mar 2025 £'000	31 Mar 2024 £'000
Surplus before tax	4,608	19,043
Adjustments for:		
Depreciation on property, plant and equipment	4,849	5,351
Amortisation of intangible assets	362	348
Loss/(gain) on disposal of property, plant and equipment	1,356	(20)
Loss on lease modifications	923	—
Realised gains on sale of investments	(1,883)	(477)
Unrealised gains on investments	(2,082)	(4,164)
Interest received	(1,471)	(1,393)
Dividends received	(2,522)	(1,526)
Pension costs – net interest payable/(receivable)	1,002	(61)
Interest paid	48	138
Interest expense for leasing arrangements	299	435
Interest expense on dilapidations provision	149	149
Pension contributions paid	(2,820)	(2,946)

#### Changes in working capital (excluding the effects of exchange differences)

Derivative financial instruments	1,604	(278)
Trade and other receivables	(4,639)	(4,581)
Trade and other payables	3,995	911
Deferred income	4,683	6,150
Lease creditors	(1,469)	(256)
Provisions	(263)	143
Cash generated from operations	6,729	16,966

#### 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	2,191	253
(Loss)/gain on disposal of property, plant and equipment	(1,356)	20
Loss on lease modifications	(923)	—
Cash flows from disposal of property, plant and equipment	(88)	273
Lease disposal settlement payment	(96)	—
Proceeds from disposal of property, plant & equipment	8	273
	(88)	273

# Corporate Governance Statement

for the year ended 31 March 2025

## 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, and committees 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 2025 Council had 47 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 2024 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](https://accaglobal.com)

The office holders (Officers) of ACCA are the President (Ayla Majid), the Deputy President (Melanie Proffitt) and the Vice President (Datuk Zaiton Mohd Hassan). 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 employees.

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**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 skill 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 which will address the identified needs.

**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 annual 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.

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**Statement of Council's responsibilities (continued)**

Council has delegated to the chief executive and the senior employees 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 annual integrated report sets out details of the business risks and opportunities which ACCA faces and its performance and strategy in addressing these. During 2024-25, ACCA established strategic targets, which were agreed by Council Board, and also established measures against the new ACCA strategy which formed the basis for developing three-year financial projections and were used to develop the 2025-26 budget. Council Board approved the 2025-26 budget in May 2025, which contained the detailed financial assumptions, allocations and targets to deliver the 2025-26 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 employees 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. 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 annual 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.

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## Corporate Governance Statement for the year ended 31 March 2025

### 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; five of which took place virtually and one was conducted in person.

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

		Meetings attended
<b>Chairs:</b>	Ronnie Patton, FCCA MBA ADE FHEA (to 14/11/24)	4/4
	Ayla Majid, FCCA (from 14/11/24)	2/2
<b>Other members:</b>	Susan Allan, FCCA (to 14/11/24)	4/4
	Helen Brand, BA OBE	6/6
	Natalie Chan, FCCA CFA	6/6
	Datuk Zaiton Mohd Hassan, FCCA (from 14/11/24)	2/2
	Nauman Asif Mian, FCCA ACA CIA (from 14/11/24)	2/2
	Ayla Majid, FCCA (to 14/11/24)	3/4
	Siobhan Pandya, FCCA	6/6
	Melanie Proffitt, FCCA	6/6

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	5/6

Details of the terms of reference for the Council Board are available from [secretariat@accaglobal.com](mailto:secretariat@accaglobal.com)

### Nominating and Governance Committee

Nominating and Governance Committee is responsible for ensuring that ACCA's council related structures are effective in supporting ACCA's strategy which includes making nominations to Council and keeping under review the Standing Orders and related compliance mechanisms. This includes 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. 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.

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

<b>Chair:</b>	Ronnie Patton, FCCA MBA ADE FHEA (to 14/11/24)	1/1
	Ayla Majid, FCCA (from 14/11/24)	1/1
<b>Other members:</b>	Liz Blackburn, FCCA, Chartered MCSI (to 14/11/24)	1/1
	Carol-Ann Boothe, FCCA AICPA CGMA NABA (from 14/11/24)	1/1
	Sharon Critchlow, FCCA CFP Chartered FCSI (to 14/11/24)	1/1
	Datuk Zaiton Mohd Hassan, FCCA (from 14/11/24)	1/1
	Babajide Ibironke, FCCA FCA FCTI FloD (to 14/11/24)	1/1
	Ayla Majid, FCCA (to 14/11/24)	0/1
	Amos Ng, FCCA ISCA (from 14/11/24)	1/1
	Ronnie Patton, FCCA MBA ADE FHEA (from 14/11/24)	1/1
	Melanie Proffitt, FCCA	2/2
	Jennifer Tan Yuen Chun, FCCA (from 14/11/24)	1/1
<b>Non-Council member:</b>	Anand Aithal	2/2

Details of the terms of reference for Nominating and Governance Committee are available from [secretariat@accaglobal.com](mailto:secretariat@accaglobal.com)

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## Corporate Governance Statement for the year ended 31 March 2025

### Audit Committee

A separate Report from the Audit Committee has been presented at pages 53 to 56. This is in accordance with the revised ISA (UK) 700 Audit Report which was issued in 2019 and updated in May 2022.

### Remuneration Committee

Remuneration Committee is responsible for determining and agreeing a policy framework for the remuneration of the chief executive and senior employees that is clearly aligned to the delivery of ACCA's strategic objectives. This is achieved by rewarding senior employees 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 2024-25 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 employees may attend meetings at the invitation of the Committee Chair. No Executive Board member is present when their own remuneration is discussed.

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

		Meetings attended
<b>Chair:</b>	Datuk Zaiton Mohd Hassan, FCCA (to 14/11/24)	2/2
	Ernest Wong, FCCA FCA FCPA CFA MSc (Oxon) (from 14/11/24)	0/0
<b>Other members:</b>	Victoria Ajayi, FCCA (to 14/11/24)	2/2
	Sharon Critchlow, FCCA CFP Chartered FCSI	2/2
	Cristina Gutu, FCCA DiplFR CPC	2/2
	Gary Kent, FCCA CPA CGA ICD.D	2/2
	Fen Lee Lim, FCCA (from 14/11/24)	0/0
	Joe O'Regan, FCCA	2/2
	Jennifer Tan Yuen Chun, FCCA	2/2
	Dinusha Weerawardane, FCCA PhD MSc BSc LLB SFHEA	
	CMgr MCMI (from 14/11/24)	0/0
	Ernest Wong, FCCA FCA FCPA CFA MSc (Oxon) (to 14/11/24)	2/2
<b>External adviser:</b>	Teresa Harding	2/2

Details of the terms of reference for Remuneration Committee are available from [secretariat@accaglobal.com](mailto: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 its remit is to provide independent oversight over all of ACCA's public interest oversight functions – complaints and discipline, education and learning, examinations, licensing and practice monitoring and professional and ethical standards. It reports to ACCA's Council on the fairness and impartiality of these activities.

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Regulatory Board (continued)

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 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.

The activities of the three sub-boards are described below:

- **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
<b>Chair:</b>	Lucy Winskell, OBE DL	4/4
<b>Lay members:</b>	Richard Cooper, IEE/IET	3/4
	Amin Dawuda, BA (Hons)	4/4
	Paul Layzell, CBE, DL, CEng/CITP, FBCS, FHEA	4/4
	William Matthews, C.Eng, MIET, MCIM	4/4
	Tom Spender, LLB	4/4
<b>Members from Council:</b>	Liz Blackburn, FCCA, Chartered MCSI	4/4
	Cathal Cusack, FCCA (to 14/11/24)	2/2
	Oxana Losevskaya, FCCA (from 14/11/24)	2/2

Profiles of the Board members can be found on ACCA's website ([accaglobal.com](https://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 team.

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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

ACCA's Executive Board, led by the chief executive is responsible for the delivery of ACCA's strategy and operations. The team consists of the chief executive and five executive directors (year ended 31 March 2024: five) and is 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 2025 was £562,576 (year ended 31 March 2024: £500,828). 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 2025 and 31 March 2024 are shown below on a banded basis.

	Number of employees (2024-25)	Number of employees (2023-24)
£440,000 – £469,999	1	nil
£380,000 – £409,999	nil	1
£290,000 – £319,999	1	nil
£260,000 – £289,999	3	1
£230,000 – £259,999	1	4

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**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 who were close to the (now abolished) lifetime allowance could 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.

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 member of the Executive Board is 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.

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**Employee Disciplinary Arrangements**

A legal review of the employment contracts in place for senior employees 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 purpose, values and strategy. Further details about ACCA's commitments to and engagement with employees are included in ACCA's annual integrated report.

**ACCA's commitments to UN Sustainable Development Goals (SDGs)**

ACCA's purpose, values and strategy closely align to the UN SDGs. In December 2020, ACCA set out its commitments to the UN 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 as it embeds sustainability. We have also set net zero targets, committing to reduce ACCA's emissions by 50% by 2030 and becoming net zero by 2045.

During the year ended 31 March 2025, ACCA continued to progress its sustainability journey, creating an integrated sustainability plan which was subject to approval by the Executive Board. ACCA also introduced three specific sustainability measures to its strategic balanced scorecard, in line with the new ACCA strategy. The annual integrated report updates stakeholders on ACCA's progress in relation to sustainable development. Further details can be found in this year's annual 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 (ISSB). 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 future annual integrated reports. ACCA is actively considering 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 employees 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

## for the year ended 31 March 2025

### 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
<b>Chairs:</b>	Lock Peng Kuan, FCCA	3/3
<b>Other members:</b>	Victoria Ajayi, FCCA (from 14/11/24)	1/1
	Cathal Cusack, FCCA (from 14/11/24)	1/1
	Dinesh Jangid, FCCA	2/3
	Winnie Ki, FCCA (from 14/11/24)	1/1
	Oxana Losevskaya, FCCA (to 14/11/24)	2/2
	Philip Maher, FCCA (to 14/11/24)	2/2
	Gillian McCreadie, FCCA	3/3
	Ian Ng, FCCA (to 14/11/24)	1/2
	Marta Rejman, FCCA (to 14/11/24)	2/2
	Merina Abu Tahir, FCCA (from 14/11/24)	1/1
	Shujuan (Jane) Yang, FCCA	2/3

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.

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## Report from the Audit Committee for the year ended 31 March 2025

### Committee membership (continued)

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 subscriptions 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 and 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. Under IFRS 9, ACCA has reviewed its expected credit losses in relation to members and future members being unable to pay 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.
  - Sensitivities of key performance drivers such as recruitment, retention and exam entries.
  - Potential impact of a significant IT outage on key billing and collection.

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.

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# Report from the Audit Committee for the year ended 31 March 2025

## 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. Following a tender process in 2024, Johnston Carmichael LLP were proposed for appointment as auditor for the year ending 31 March 2026 and this has been ratified by Council, in line with bye-law 40. They will be formally put forward for members' approval at the 2025 Annual General Meeting.

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 ACCA's strategy. 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 2025.

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# Report from the Audit Committee for the year ended 31 March 2025

## Activity during the year

During the year ended 31 March 2025, Audit Committee has:

- reviewed the annual accounts for the year ended 31 March 2024 and recommended to Council that they be approved
- reviewed the structure and content of the annual 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 2025
- conducted the audit tender and proposed the appointment of Johnston Carmichael LLP as auditor for the year ended 31 March 2026
- 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

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 2025. The Committee has also considered that the annual 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.

## 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: 3 July 2025

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# Report of the Independent Auditor

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## Opinion

### Our opinion on the group financial statements is unmodified

We have audited the group financial statements (the 'financial statements') of Association of Chartered Certified Accountants and its subsidiary undertakings (the group) for the year ended 31 March 2025. The financial statements 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 material accounting policy information. 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 2025 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;
- 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.

# Report of the Independent Auditor

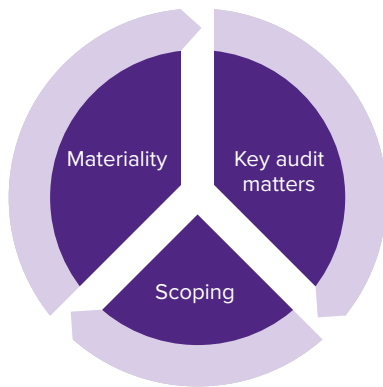
In our evaluation of the Council's conclusions, we considered the inherent risks associated with the group's business model including effects arising from macro-economic uncertainties such as cost of living crisis, we assessed and challenged the reasonableness of estimates made by the Council and the 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 financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the 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 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: £5,018k which represents 2% of the group's total income.

Key audit matters were identified as:

- Revenue recognition in relation to subscription and fee income (same as previous year)

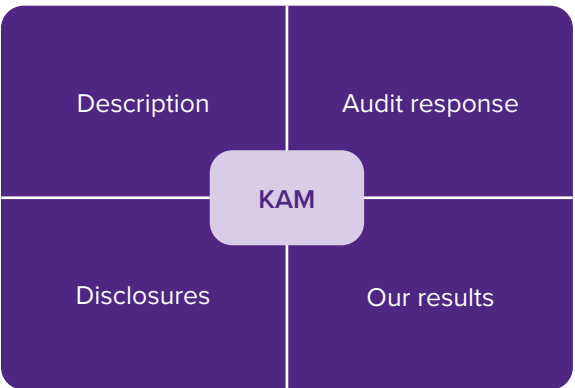
We undertook a full audit of the financial information of the following components using component materiality; being Association of Chartered Certified Accountants (parent company) and Certified Accountants Investment Company Limited. This provided coverage of 97% of total income and 96% of total assets.

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 quantitatively immaterial to the overall group.

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# Report of the Independent Auditor

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the group 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 group 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 and significant risks relevant to the audit



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# Report of the Independent Auditor

## Key Audit Matter

### Revenue Recognition – Subscription & fee income

We identified revenue recognition in relation to subscription and fees as one of the most significant assessed risks of material misstatement due to fraud.

Revenue from subscriptions and fees together with qualifications and exams, totalled £250,883k for the year ended 31 March 2025 (2024: £238,709k).

ACCA make an annual manual adjustment to income (the strike off adjustment) 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.

The adjustment is based on historical experience in each geographic location ACCA operates in to determine the number of members to be struck off. The estimate is subject to possible management bias and error. 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'.

## How our scope addressed the matter

In responding to the key audit matter, we performed the following audit procedures:

- Assessed the revenue recognition policy to check whether it is in accordance with IFRS15 'Revenue from Contracts with Customers'.
- 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 check they have been inactive for the correct amount of time required before being removed.
- 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.
- Calculated an expected strike off adjustment by applying historical incurred strike off rates to current year subscription revenues and comparing to the actual provision calculated by management. We also selected a sample of prior year aged debtors and traced to supporting evidence and the current year strike off adjustment where appropriate.

## Relevant disclosures in the Consolidated Financial statements

- Financial statements: Note 2 Critical accounting estimates and judgements (c) iii – 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.

## Our results

Based on our audit work, our testing did not identify any evidence of material misstatement in respect of subscription and fee revenue recognition.

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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	<p>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.</p> <p>We use materiality in determining the nature, timing and extent of our audit work.</p>
Materiality threshold	£5,018k (2024: £4,774k), which represents 2% of total income.
Significant judgements made by auditor in determining materiality	<p>In determining materiality, we made the following significant judgements:</p> <ul style="list-style-type: none"><li>■ Total income was considered the most appropriate benchmark given the Council’s focus on vision (i.e. number of current members and future members that contribute to subscription and fee income) and value (i.e. market share, satisfaction with ACCA, number of learners acquiring new skills through ACCA, which contributes to recurring subscription and fee income). These factors were identified as key elements to the ACCA strategy from discussions with management and our wider understanding of the business.</li><li>■ After reviewing industry competitors’ benchmarks and the risk associated with the audit, we have determined 2% of total income to be an appropriate benchmark.</li></ul> <p>Materiality for the current year is higher than the level that we determined for the year ended 31 March 2024 to reflect the increase in total income in the year.</p>

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Materiality measure	Group
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	£3,763k (2024: £3,402k), which is 75% (2024: 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.
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	<div>We determined a lower level of specific materiality for the following areas:</div> <div><div>■ Key management personnel remuneration and</div><div>■ Related parties</div></div>
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.
Threshold for communication	£251k (2024: £227k), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

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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

TfC: Threshold for communication to the audit committee

## An overview of the scope of our audit

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

Understanding the group, its components, their environments, and its system of internal control including common controls

- Our audit approach was founded on a thorough understanding of the Group's and parent company's business, its environment and risk profile. We obtained an understanding of the Group and its environment, including Group-wide controls, and assessed the risks of material misstatement at the Group level.
- We obtained an understanding of the business processes for all significant classes of transactions, including significant risks, to obtain an understanding of the control environment across the Group. We identified that the group operates common controls across components for certain areas such as revenue.
- For full scope audits and specific scope audits, we obtained an understanding of the relevant controls at the component level. We documented and assessed the design and implementation of controls related to key audit matters and other significant risks communicated in this report.
- ACCA Royal Charter is the main trading entity with all other components reporting into the central finance team for year-end reporting. The Group operates a centralised financial reporting system and central finance team who are responsible for group reporting.

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## Identifying components at which to perform audit procedures

- 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 have determined the components at which to perform further audit procedures, by considering the following:
  - components in scope for further audit procedures due to individually including a risk of material misstatement to the group financial statements due to the component's nature or circumstances.
  - components in scope for further audit procedures due to the nature and size of assets, liabilities and transactions at the component (being of financial significance to one or more scoped items that it is required to be in scope).
  - components in scope for further audit procedures to obtain sufficient appropriate audit evidence for significant classes of transactions, account balances and disclosures, or for unpredictability.

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

- We performed a full-scope audit on Association of Chartered Certified Accountants (the parent entity) and Certified Accountants Investment Company Limited.
- The full-scope audits included our work on the identified key audit matters described above.
- 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 audit engagement team.
- For all other entities (excluding ACCA Russia Limited), we performed analytical procedures, using group materiality. 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 out of scope due to sanctions 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.

## Performance of our audit

- In total, 97% of group income and 96% of total assets were subject to full-scope 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 Limited.
- 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.
- The components within the scope of further audit procedures accounted for the following percentages of the Group's results, including the key audit matter identified:

Audit approach	No. of components	% coverage total assets	% coverage total income
Full-scope and specific scope procedures	2 (2024: 3)	96% (2024: 95%)	97% (2024: 97%)
Analytical procedures	62 (2024: 59)	4% (2024: 5%)	3% (2024: 3%)
Total	64 (2024: 62)	100%	100%

## Changes in approach from previous period

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

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### Other information

The other information comprises the corporate governance statement and report from the audit committee only, being the information included in the financial statements, other than the financial statements and our auditor's report thereon. Other information does not include any other information included in the integrated annual report. The Council are responsible for the other information contained within the 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 in 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 45, 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.

### 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;
- We checked internal audit reports to identify any control deficiencies, non-compliance with regulatory framework, the use of whistleblowing facilities and alleged instances of fraud;

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- 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 and pension assets and liabilities. Audit procedures performed by the group engagement team included:
  - assessing the design and implementation of controls and journal testing any journal entries which were inconsistent with our expectations based on the understanding gained;
  - utilising actuarial experts for areas of judgement (specifically pension liability assumptions such as discount rates, inflation and mortality assumptions);
  - challenging judgements, assumptions and estimates utilised in relation to areas of 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;
- 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 use of specialist skills required in relation to our review of pension liability assumptions;
  - knowledge of the industry in which the group 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.

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's 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: 3 July 2025

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