



Integrated Annual
Report 2021

Think Ahead



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ACCA is a leading global professional accountancy body incorporated by Royal Charter in the UK.

Founded in 1904, we were established as an alternative to the restrictive entry to the profession at that time, opening up opportunity for anyone of talent and ability to become a qualified accountant.

Today, we are a global community centred around our 233,000 members and 536,000 future members who support economic growth across 178 countries.

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

Our qualifications develop forward-thinking professionals with the financial and business skills essential for the creation of sustainable economies and flourishing societies. Every day, ACCA professional accountants support people and organisations in making sound decisions and doing the right thing.

We build public trust by creating an inclusive profession with people from all backgrounds, bound by a common global code of ethics and committed to updating their skills to meet ever-changing needs.

For 117 years, being a force for public good has been embedded in our purpose, and this powers everything we do. Like offering everyone, everywhere the opportunity to access a rewarding career in accountancy. By working in partnership with emerging economies to establish their own professional accountancy organisations and grow their finance ecosystems. Through freely sharing our leading-edge research that answers today's questions and prepares us for tomorrow. And by supporting our global family of members, future members and partners, and developing the profession for the next generation.

We operate through a network of 110 offices and centres, across 51 countries, with a workforce of 1,404 employees globally.



This is our 10th annual integrated report and the seventh prepared in accordance with the International Integrated Reporting Council's (IIRC) International <IR> Framework. We have chosen to adopt the revised version of the <IR> Framework, published in January 2021, as a signal of our commitment to good practice.

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

Oversight and responsibility

ACCA's Audit Committee scrutinises this report in detail, which our Council Board and then ACCA's governing Council approves. In this way, Council is ultimately responsible for ensuring the report's integrity.

Audit Committee has confirmed that it has applied its collective mind to the preparation and presentation of this report and that, in its considered opinion, it is presented in accordance with the International <IR> Framework.

Scope of external assurance

In addition to assuring our detailed consolidated financial statements, our external auditor also provides:

- **reasonable assurance** over the performance measures reported against our strategic outcomes in the strategic performance section
- **limited assurance** over the remainder of this integrated report.

Want more detail?

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



Reinforcing our purpose as a force for public good:

Intensified our focus on our overall purpose with specific commitment to the United Nations Sustainable Development Goals and started to determine how we will measure our success

Supporting employability:

1.6 million roles advertised on ACCA Careers and 20,000 users visited our advice section in March 2021

Reinforcing the value our members bring: an employer NPS score of 51; 90% rate us positively for shaping the global accountancy profession; 91% rate us as good at promoting the highest ethical standards

Winning Professional Accountancy Body of the Year again at the Digital Accountancy Forum and Awards 2020 for the support we provided to members through our Covid-19 hub and for how we championed the role our practitioners play

97% of members now see ACCA and its partners as their first-choice source of CPD

Enabling our future members to continue their journey: 595,425 exam entries and ramping up access to quality support – including wellbeing support

Inclusion in action:

Our powerful, connected and supportive community of 769,000 members and future members in 178 countries

Our research – Leading inclusion: *simple steps and significant leaps* – shared the inspiring stories of our members

Ensuring geographical diversity of representation on our Council: 59% of Council is female

Commitment to publishing UK gender and ethnicity pay gap

Increasing our digital capability:

Rolling out remote examinations as a contingency where centres could not open. Ensuring the on-line delivery of learning

The transition to modern, cloud-based finance, CRM and data systems continues, with first deployment scheduled for July 2021.

2.5% year-on-year growth on our member file

An innovative year

Covid-19 hub – a one-stop resource for members to support them in dealing with the implications of the crisis, launched on 12 March 2020

Wellbeing hubs for members and future members with advice and guidance on a wide range of issues

Sector resources such as the SMP Practice Room, Practice Connect, and tailored versions of *AB Direct*.

New AB magazine in web and app formats, continuously updated with articles and resources

CPD, webinars, digital conferences and informal digital engagement to ensure we all remain connected and continue to learn

Professional insights reports to engage and inform, from the impact of Covid-19 to sustainability and the value of the profession

ACCA Careers – our jobs board, and virtual jobs fairs held in numerous jurisdictions over 2020

New member welcome journey and virtual celebration events

Lifetime membership for retired members

A global mentoring programme available for members and future members

Remote exam invigilation, introduced so that future members can continue their exam journey through Covid-19 disruption.

As president since November 2020, I've been very lucky to meet with many members and future members, albeit online. I truly wish this could have been face-to-face and in a real space rather than a virtual one. Lockdowns and restrictions on travel made this impossible for me as it did for so many of you.

But travel restrictions are only one of the huge challenges we've all faced over the last year – and which we continue to face.

From these meetings, formal and informal, I've witnessed first-hand how so many ACCA members have stood strong in the face of the Covid-19 storm. It makes me and my fellow Council members proud to witness their resilience, talent and innovation in continuing to guide and support the businesses and organisations in which they work – and their colleagues and clients – through difficult times and tough decisions. I know this has not been easy, and that many have experienced immense personal and professional challenges in a year like no other in living memory.

What I've heard and seen during these meetings is an ACCA community that is robust and connected. It has been pleasing to see our global community taking opportunities to share their thoughts and experiences on navigating the crisis. I wholeheartedly thank our members and future members for their strength over 2020-21.

Our annual report for 2020-21 shows how ACCA has been resolute in its determination to support our members, future members and the wider community through these uncertain times, demonstrating resilience, flexibility and strength.

My thanks and that of Council also go to Helen Brand, the Executive team and all ACCA employees. With Council, we have worked together to launch and implement a new strategy to 2025 and adapt our 2020-21 critical strategic focus in the light of the Covid-19 pandemic. Yes, it has been a challenge, but we have collaborated to assess the risks and prepare for what may lie ahead. Importantly, we have worked to ensure our support is there for our community.

We have been able to achieve this by staying close to our strategic values of innovation, integrity and inclusion, and by remaining true to our purpose to be a force for public good, and to lead the global accountancy profession by creating opportunity.

Here, I share some highlights of the support we've developed over the course of the past year, all aimed at creating value for members and future members. I am sure many of you will have seen these innovations being rolled out, and I hope they have been helpful.

I also hope you enjoy reading this integrated report. It has been a pleasure to meet so many of you over the year, a year in which the importance of having a powerful, connected and supportive community has never been so evident.



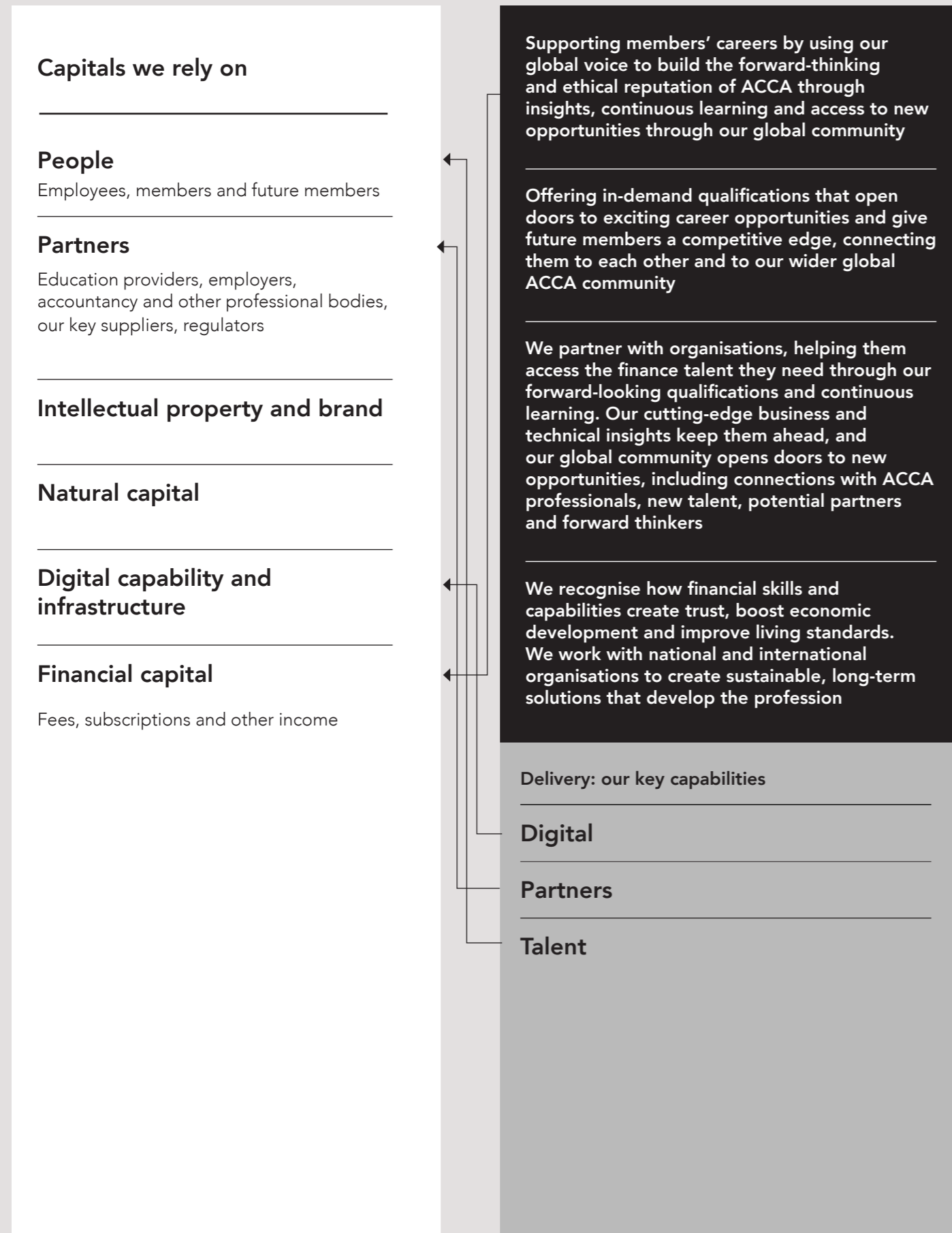
Mark Millar, ACCA president

Our value creation
model to 2025

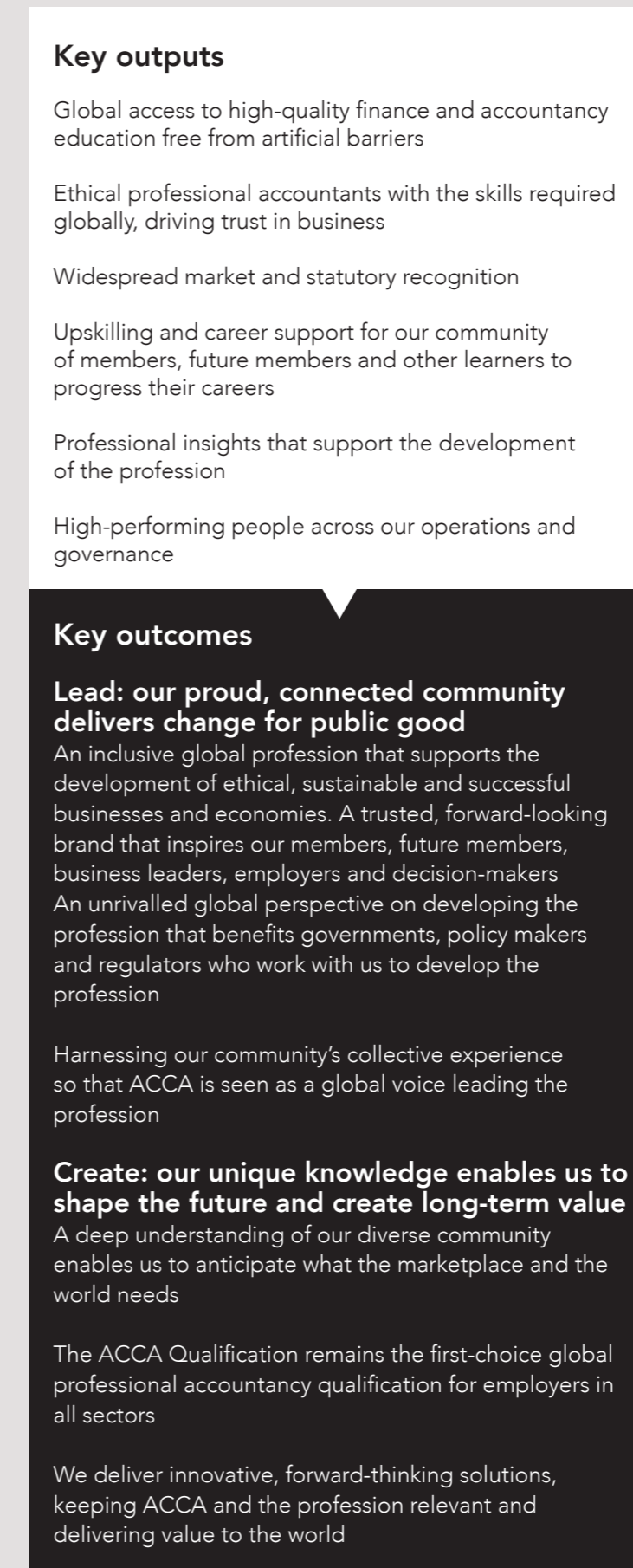
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How we create value for our members, future members, partners and international bodies



How our strategy ensures ACCA's competitive advantage



How this creates value for society



Through a period of extraordinary demands on our members and future members, ACCA's firm focus has been on supporting them to the very best of our organisational ability.

It has been abundantly clear that in a time of such uncertainty and volatility, professional accountants have been more heavily relied upon than ever. The work undertaken by accounting and finance professionals within, and for, enterprises has taken on even greater significance. In every sector, they have been the backbone of organisational sustainability and competitiveness.

We have been acutely aware that the pandemic has created both individual and professional challenges for our ACCA community. In addition to the health effects, a significant number of our members and future members have experienced direct economic consequences as a result of Covid-19.

Our approach has therefore been two-fold – developing both the personal and the professional support that is most needed by those we serve.

Introducing a monthly rolling relationship survey of members and future members has – as intended – enabled us to move more quickly in identifying emerging needs and introducing solutions. Providing tailored

support to those in specific sectors has proved to be particularly effective. With SMEs relying on advice from their professional advisers in order to stay afloat and pivot their business models, we have had a strong focus on SMP support and development. This learning, together with activity to develop a more tailored public sector members' proposition, will be built on in the coming year as we work on more segmented offerings by employment sector and other segments.

For future members, our priority has been enabling them to continue their ACCA Qualification journey. This led to us accelerating our existing strategic plans for remotely invigilated exams and rolling these out in record time where centre-based exams were not possible due to local and national lockdowns. And while every ACCA student had at least one exam sitting disrupted during the year because of the pandemic, the hard work our teams put in on new examining solutions meant that they could still make progress towards membership. We also continued to work closely with our learning partner community who have responded magnificently to the new demands the pandemic has placed on them.

Supporting and retaining our current and future membership base is of course central to ACCA's financial sustainability. Focusing on ensuring that our ACCA community sees real value in staying with us is therefore paramount. At the same time, we've challenged ourselves in terms of efficiency throughout the year and refocused activity and spend to areas where it has delivered the most value to members and future members.

Our three areas of critical strategic focus in 2020-21 were:

1. Member and future member support and retention: our members and future members are at the heart of ACCA and it was critical that we demonstrated that we understand and support them, retaining them so we can keep delivering the trusted professional accountancy community the world needs. Every member and future member we retained helped keep ACCA financially sustainable.

2. Exam delivery and innovation: it was critical that we successfully ran as many exams in as many markets as possible: this lies at the heart of ACCA's financial sustainability as well as that of many of our partners. It was also key to the confidence, progression and retention of our future members. We had an organisation-wide focus on innovation and redeployment of resources to support the exam effort.

3. Financial sustainability: our focus on exam delivery and innovation, and member and future member support and retention has been essential to support ACCA's continuing financial sustainability. In addition to this, we introduced a range of mitigating actions to reduce our operating spend and investments as a way of offsetting the revenue impact of exams cancelled so far. We also took proactive steps to plan for a sustainable future, exploring a range of possibilities and adopting a deeply cost-conscious approach to spending.

We set four targets against our areas of critical strategic focus:

Critical strategic focus measure	2020-21 year-end target	2020-21 year-end result	Achievement	
Member retention	94.7%	97.0%	Met	✓
Future member retention	82.1%	83.8%	Met	✓
Inclusion: % agreeing that ACCA acts with members' and future members' best interests at heart	70%	67.4%	Not met	✗
Surplus/(deficit) before tax	-£8.9m	£20.3m	Met	✓

Our strategy to 2025 talks about the need to change continually. This has been reinforced by the global context and the level of disruption through which we and our members are operating. It is essential therefore that ACCA is optimally organised and as efficient and effective as possible. On this basis, we reviewed our organisational design in 2020-21 to enhance impact and consolidate activities so that we can improve our agility, effectiveness and decision making, as detailed on p76.

In addition to efficient delivery, we have also intensified our focus on our overall purpose and impact by announcing our specific commitments to the UN Sustainable Development Goals. These commitments and the rationales for them are outlined on p41 and we'll begin reporting against them in detail in 2021-22. In this way, the value we create and protect through our members and our work as an organisation will be our guiding light to 2025 and beyond.

“ To all those across our ACCA community who have contributed to this purpose over the past 12 months, thank you – and we'll continue to be by your side and endeavour to deliver for you to the best of our ability as we move forward together.”



Helen Brand OBE,
Chief executive

Throughout 2020–21, ACCA has considered the global context carefully, consulting with external experts and drawing on our own market, strategic, professional and customer insight, and behavioural data to identify a series of factors that will present challenge and opportunity for ACCA in 2021–22 and beyond.

Economic overview

In 2020, the global economy was severely impacted by the Covid-19 pandemic, with global output falling to 90% of the previous year's levels according to the Organisation for Economic Co-operation and Development (OECD). Like most organisations, this had significant impacts for ACCA. Looking ahead, the OECD anticipates a global recovery back to 2019 levels by December 2021, and our own analysis indicates that a number of macro forecasts are now broadly trending up. Despite this, a range of social restrictions persist in many ACCA markets as we enter the 2021–22 performance year.

Beyond Covid-19, we are seeing a number of significant geopolitical and economic developments. These include the new Democrat administration in the US, the publication of China's 14th five-year plan and the UK exiting the EU.

Global growth markets in which ACCA is active give sharply contrasting pictures of economic recovery. While China's economy is expected to grow by 7.9% in 2021 (compared with 1.9% growth in 2020), the pandemic has had a profoundly negative impact on India's economy. In late 2020, India fell from fifth to sixth place as a global economic superpower (behind US, China, Japan, Germany and the UK) and, in March 2021, is still in recession with a very high incidence of Covid-19 cases.

The global systemic shock brought about by the pandemic is, however, also presenting opportunity for the profession. As the world seeks to recover from the events of 2020, there is a growing movement across governments, regulators, business and society to 'build back better', driving a more sustainable approach to economic recovery.

This presents a clear opportunity for the profession and its members to advise and influence governments, regulators and business on the key role they can play in delivering sustainable recovery and returning to growth. ACCA and other professional accountancy bodies also have a critical role to play in transforming the profession in response to digital acceleration and other disrupters, upskilling those within it to seize the opportunities it presents.

Key external drivers

The key factors shaping our external environment are:

- **Economic impact of the pandemic:** Covid-19 is causing significant economic disruption across ACCA's markets. This continues to impact employment and create risks to member and future member retention. We recognise that we will need to both articulate and demonstrate the continuing value of a relationship with ACCA, providing members and future members with a strong sense of community and value, and ensuring that we act with their best interests at heart.
- **Climate change and natural capital protection:** 2020 saw record-breaking temperatures, as well as devastating wildfires and flooding, further emphasising the need to redouble efforts on climate change and protection of the planet. As business, finance and governments look ahead to how to shape both green and socially inclusive recoveries, the accountancy profession will be – in the words of Mark Carney, UN special envoy on climate and COP 26 finance adviser – 'absolutely essential' to delivering the change the world needs. The uniquely wide view that professional accountants have across the organisations that they work for and advise, coupled with their ethical and technical competencies, makes them vital to this transformation that can place impact at the heart of business decision-making. ACCA therefore has a vital role in ensuring that members and future members have the competencies to fulfil this need.
- **Geopolitical environment:** political tensions continue to present potential risks to ACCA's operations. Following the Covid-19 outbreak, we have seen both the protectionist and global collaboration scenarios that informed our strategy to 2025 play out in diverse ways. While the rise of a global talent force has been facilitated by increased remote working, this is juxtaposed with increased nationalism in some areas of the world. This creates a need to emphasise the value ACCA brings in offering nationally relevant leading-edge skills informed by global best practice.
- **Demand for accountancy:** an ongoing demand for accountants is being driven by the current emphasis within organisations on financial sustainability and the growing move towards transparent reporting. Digital acceleration is, however, creating disruption within the profession, particularly impacting lower-level roles. This creates an opportunity to demonstrate ACCA's continuing relevance and our ability to equip members and future members with the skills the marketplace needs, both now and in the future.
- **Digital acceleration:** across the world, we are already seeing a radical acceleration in digital adoption, with some countries and industries more ready and willing to adapt than others. While this creates challenges for ACCA in terms of greater global inequality in relation to digital maturity, it also creates the opportunity for ACCA to position itself as a digital leader both in the knowledge and skills we provide and the methods we use to deliver.
- **The skills members and future members will need:** Covid-19 has radically re-shaped the skills needed by employers. Our customer insights highlight shifts in what our members want to learn as well as how they want to learn, with data and technology ranking as a key technical skill to develop, correlating with our view of an accelerated digital shift. There is opportunity for ACCA in the area of continuous learning, and 97% of members now see ACCA and its partners as their first-choice source of CPD. ACCA also has a significant opportunity to capitalise on the digital acceleration and the changing needs of employers by defining and delivering a future vision for learning and assessment that delivers what the world needs. Climate change and natural capital management will also drive and accelerate the need for wider and greater non-financial reporting.
- **Partnerships:** ACCA is seeing all our partners (employers, education providers, governments, regulators and others) impacted by Covid-19 in different ways, with some adapting swiftly and others requiring significant support to adapt. ACCA partners in the future will remain critically important as we seek to deliver value to our community, drive our continuing growth and reinforce our relevance, attractiveness and leadership of the profession.

ACCA's response

Pre-pandemic, ACCA was already preparing for an accelerating pace of change. Detailed analysis of the disruptors of the future, coupled with scenarios work to test ACCA's strategic response, informed the development of our flexible and responsive new strategy.

The strategy to 2025 has enabled us to act swiftly and decisively from the start of the global systemic shock caused by Covid-19, notably by:

- adjusting our focus in 2020–21 to scale back some aspects of our strategic ambition but significantly accelerate others set out in our strategy to 2025. In particular, we have concentrated on introducing and rapidly expanding our online exams with remote invigilation, and accelerating our own digital readiness plans to engage with and connect the ACCA community more comprehensively than ever before.
- placing an even greater emphasis on supporting our members through building our portfolio of digital upskilling opportunities, enhancing our careers support offerings and reinforcing the vital role professional accountants play to employers.
- supporting our future members by focusing even more strongly on ensuring access to quality tuition, developing new student support tools – including those aimed at wellbeing – and enabling our education partners to transition to digital delivery.
- maximising the potential of our new approach to customer insight, we were able to draw extensively on the voice of the customer (augmenting our monthly relationship surveys with additional activity, including member and future member welfare surveys and exam experience surveys) to deliver the products, services and solutions needed. We also leveraged the collective insight of our community to create relevant, timely and world-class insights to build confidence in ACCA and the profession and lead the way forward.
- further embedding a 'customer-first' mentality across our global network, demonstrating our ability to deliver to market more swiftly than ever

and

- leveraging new digital capabilities which enabled the organisation to rapidly pivot to operating virtually.

In light of the continuing uncertainty caused by the global context, and in particular the Covid-19 pandemic, our core assumption is that both ACCA and its community will continue to face significant disruption during the first six months of 2021-22. With this in mind, our view is that the most appropriate and pragmatic approach to 2021-22 is to continue to deliver against a critical strategic focus, with associated measures that ensure we are targeted in our response.

In 2021-22, we will also continue to challenge how we operate, innovating to deliver our ambitions. This will enable us to move forward with purpose, seizing new opportunities and investing for the future to propel ACCA forward.

We actively manage a range of key stakeholder relationships, recognising that our success and sustainability depends on their input and involvement. As part of our strategy to 2025, we have articulated value propositions for all our stakeholders in order to maintain a strong focus on meeting their different needs.

Our stakeholders	How we create value for them	How we engage with them
Members	We support members' career success by using our global voice to build the forward-thinking and ethical reputation of ACCA. Our cutting-edge insights and continuous learning keep them ahead, and our global community opens doors to new opportunities including connections with fellow professionals, employers and forward thinkers.	<p>We have a network of member panels across the world, which bring members together and allow them to feed into our strategy and governance, both independently and via ACCA's International Assembly. Our Council, which is our main governance body, is composed entirely of elected ACCA members.</p> <p>We engage and inform members through regular communications, including our monthly relationship surveys, monthly Accounting and Business magazine, email campaigns, social media and quarterly seminars delivered by Council members, and connect members to opportunities through our global ACCA Careers online jobs portal.</p>
Future members (ACCA students and affiliates*)	We open doors to an exciting range of career opportunities through in-demand qualifications that give our future members a competitive edge. We help them succeed by connecting them to each other and to our wider global community that includes influential and supportive employers, educators, mentors, members and forward thinkers.	<p>In addition to what is delivered through our learning providers, we have built up a wide range of student and affiliate qualification support and services, such as our ACCA learning community, free webinars and digital support. We connect students and affiliates to opportunities through our global ACCA Careers online jobs portal. We also engage in-market with students and affiliates to offer targeted, face-to-face support.</p> <p>Our investment in closer working relationships and support for learning providers, working in partnership with them to support local market needs, also directly benefits students. This has helped us develop significant additional offerings around digital support and study resources.</p>

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

Our stakeholders	How we create value for them	How we engage with them
Employers	We partner with organisations, helping them access and grow the finance talent they need to succeed through our trusted, forward-looking qualifications and continuous learning. Our cutting-edge business and technical insights keep them ahead, and our global community opens doors to new opportunities including connections with ACCA professionals, new talent, potential partners and forward thinkers.	We have dedicated employees around the world who manage our relationships with employers in-market and ensure that there is two-way dialogue between ACCA and the employers we serve. We also survey key employers globally every year on their satisfaction with, and perceptions of, ACCA, and act on these findings.
Educators	We enhance business opportunities for educators through our in-demand qualifications. We help them succeed, encouraging and recognising quality, and co-create innovative solutions with them for today and tomorrow. We open doors to new opportunities through our community, including connections with employers, future members, forward thinkers and other educators.	Senior employees around the world manage our relationships with learning providers and ensure that there is two-way dialogue. We also hold regular global and regional conferences for ACCA education providers, and survey them at least annually on their perceptions of ACCA's brand and the service and support we provide for them. Following our programme of ACCA Qualification change, we have worked more closely than ever with our learning providers, through an active programme of support – including global training for ACCA tutors across the world – and closer collaboration on business initiatives. We also have a dedicated support section for learning providers on our website.
Governments and regulators	We openly share our expertise, bringing a global perspective to national challenges to assist governments and regulators in developing policies that build strong, thriving societies. Our relevant qualifications develop future-ready people with the capabilities vital to economic growth. We help them prepare for the future, by connecting them to our technical and policy insights and community of policy makers, business leaders and forward thinkers.	These relationships have dedicated relationship management within ACCA at a national, regional or global level.

Employees	We offer the opportunity to be part of a dynamic organisation that makes a difference to societies around the world. We nurture forward thinkers who live our values and embrace the diverse perspectives of our global community, working together to create exciting solutions. We invest in our people, helping them grow, and reward them for their role in delivering our vision.	We run an extensive programme of internal engagement and support including skills and culture training, wellbeing support and other development. We have developed a range of services and support for our global employee community including a social intranet, digital collaboration tools and more formal forms of sharing, an annual global virtual conference, town halls twice a year with the chief executive and executive directors, and a monthly briefing from the chief executive. Employee engagement and satisfaction is measured through twice-yearly global surveys, as well as shorter snapshot surveys of sentiment.
International organisations	We're driven by our vision to build the accountancy profession the world needs. We recognise how financial skills and capabilities create trust, boost economic development and improve living standards. We bring a global perspective, extensive expertise in developing qualifications, and experience of shaping and implementing international standards. We work with nations and international organisations to create sustainable, long-term solutions that develop the profession.	We have a dedicated team within our Markets directorate, devoted to ACCA's contribution to the development of the global accountancy and finance profession, through capacity building, best-practice sharing and building partnerships with national, regional and global bodies.
The public	ACCA-trained people support individuals, businesses and organisations in making good decisions and doing the right thing. We build public trust by creating an inclusive profession with people from all backgrounds, bound by a code of ethics and committed to updating their skills to meet ever-changing needs.	We carry out outreach through media and ACCA's public communication channels, including our website and our social media accounts.
Suppliers	We rely on a number of key suppliers and providers to deliver services and support, particularly IT services and our international examining network.	All key suppliers have dedicated relationship management at a team, directorate, market office or global level, depending on the scope and nature of the supplier arrangement.

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

Our material issues

Our material issues have been arrived at through detailed analysis of the profession and input from our stakeholders, and are reviewed annually for relevance against our strategy and the external environment.

2021 Relevant matters (not ranked)

Description

A customer-centric organisation

We will put customer needs at the centre of our decision-making and be able to respond quickly to stakeholders' changing needs.

ACCA's global presence

Our footprint; number of countries we operate in; network of national offices; access to international networks; strength of our communities.

Acting for public good

Promoting responsible and ethical conduct in the accountancy profession. Supporting economic growth by building capacity where it is most needed in the profession worldwide.

Agile, innovative and motivated workforce

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

Attractiveness, relevance and integrity of the ACCA Qualification

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

Best-in-class digital capabilities and infrastructure

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

Brand recognition

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

Diversity and inclusion

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

Effective internal governance and compliance

High standards of corporate governance and accountability; effective compliance with policies and legislation; effective internal audit and corporate assurance, including anti-corruption; speed of response to changing environments and legislation

Environmental impact of ACCA's operations

Promoting environmental sustainability in our operations and in our supply chain.

Financial sustainability

Ability to invest in ACCA's future and keep pace with stakeholders' changing demands and expectations. ACCA's financial performance and reporting of it; balance-sheet strength (including pension deficit).

Learning provision: reach, resilience and quality

The reach, resilience and quality of ACCA's learning provision; its affordability to students; learning providers' commitment to enabling ACCA to operate effectively, including innovating and embracing new technologies that enhance students' learning experience and meet the demands of the workplace.

Member and future member retention and growth

Recruitment of students who are informed, motivated, supported and equipped to progress through our qualifications and to obtain and retain membership if that is their end goal. Using data and insights to determine areas for potential growth and being cognisant of market-specific circumstances.

Member professional and career support

Providing members with ready access to knowledge to ensure that they remain relevant when the skills required of professional accountants are constantly evolving; networking opportunities; CPD; career portal; online forums; helping to market members to employers and enhance the employability of members.

Stakeholder engagement and responsiveness

Engagement level and relationships with members, students, employers, learning providers, standard setters, etc, and responding to developments in their worlds (e.g. value for money, changing nature of their careers).

Statutory recognition and licence to operate

Statutory recognition and licence to operate; ensuring that the ACCA Qualification is recognised and accepted across all markets and all sectors; overcoming or minimising restrictive or protectionist challenges that may prevent growth or entry into new markets.

Strength of relationships with partners

Our education provider partners will be committed to ACCA and our employer partners will champion our value because we work together to deliver successful, employable students and members. We will work with national bodies and other partners to build the profession.

Thought leadership and public influence

Leading the policy and technical agenda through expert research and professional insights; contributions to public policy and regulation; participation in key international, regional and national forums.

Materiality analysis

In previous years, we've invited members of our network panels around the world to rank the 18 material issues we've identified. This year, we widened our consultation by surveying a sample of all members and future members globally on the importance of these issues. We also additionally surveyed representatives drawn from our strategic learning partners, employers and national body and government partners to provide a wider view from our ACCA community.

ACCA's employees on our Leadership Group also took part in the consultation to provide the internal view of these material issues.

Because of the changed external survey sampling methodology, we have not provided comparative results for previous years.

Overall 2021 ranking (internal and external)	Material issue
1	Attractiveness, relevance and integrity of the ACCA Qualification
2	Member professional and career support
3	Brand recognition
4	Statutory recognition and licence to operate
5	ACCA's global presence
6	Learning provision: reach, resilience and quality
7	Member and future member retention and growth
8	Acting for public good
9	Effective internal governance and compliance
10	Financial sustainability
11	Thought leadership and public influence
12	Diversity and inclusion within ACCA employees and within the profession
13	Best-in-class digital capabilities and infrastructure
14	Strength of relationships with partners
15	Agile, innovative and motivated workforce
16	Stakeholder engagement and responsiveness
17	A customer-centric organisation
18	Environmental sustainability of ACCA's operations

Looking overall, there is a strong focus on the factors that drive employability and progression for our members and future members in the global marketplace. The more generic functions of ACCA as a professional body, such as acting for the public good and thought leadership and public influence, are less highly rated than in prior years, arguably because the nature of the external environment is driving a strong focus on individual concerns and careers. Data from ACCA's recent survey on Gen Z also showed that personal concerns ranked significantly higher for those survey respondents than issues impacting wider society, such as climate change, and inclusivity and equality. In both cases, it is possible that these wider societal issues have been temporarily moved down the priority list, given the very real personal challenges presented by the pandemic.

Similarly, internal rankings showed the influence of the pressures ACCA has been experiencing corporately as a result of the pandemic. For ACCA's Leadership group, there is a much stronger focus on matters related to organisational sustainability, such as member growth and retention and financial sustainability. Also, as in previous years, factors linked to ACCA's wider organisational purpose, such as acting in the public good and thought leadership and public influence, are rated more highly by internal respondents.

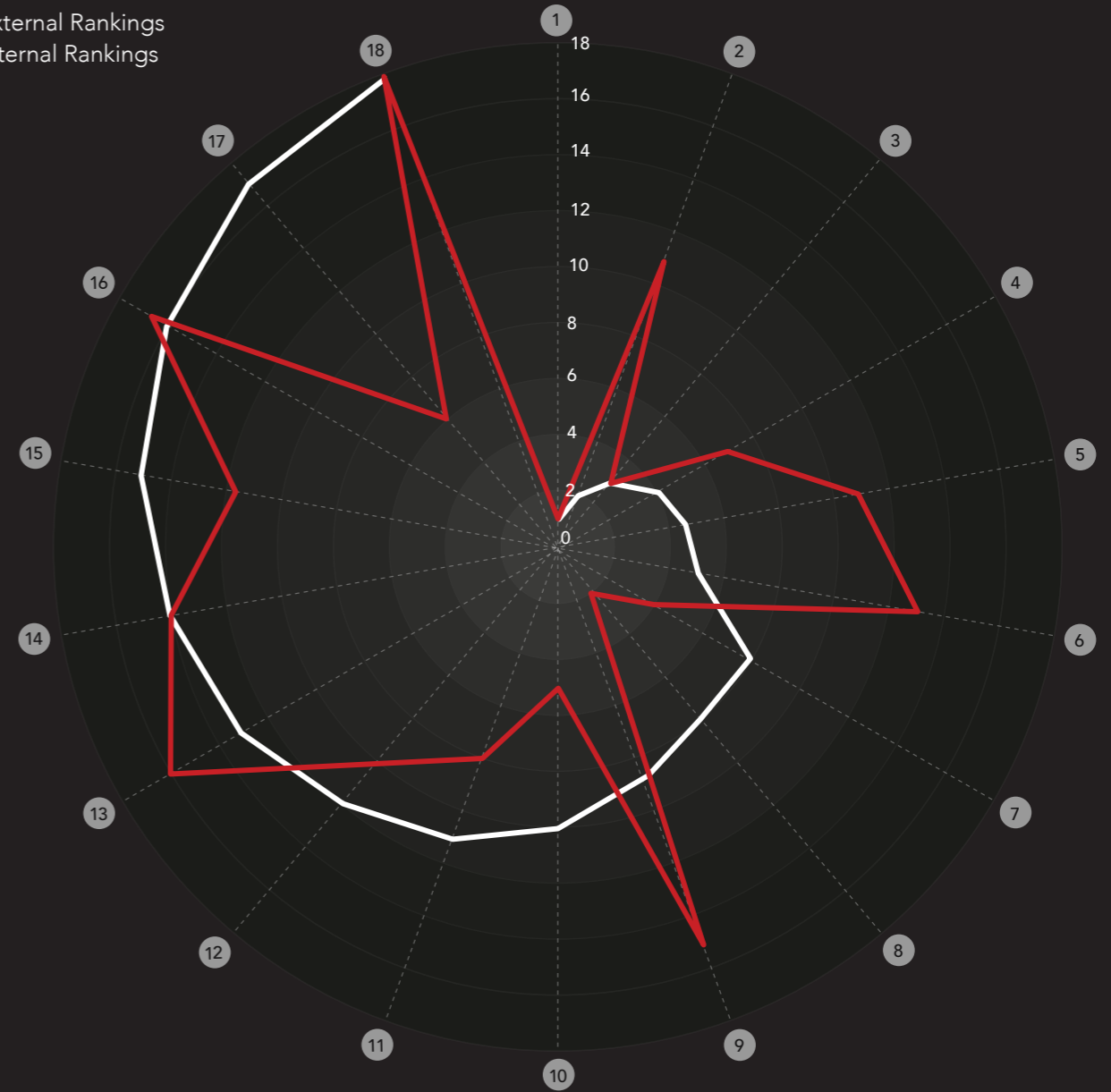
Comparing internal and external results, we've seen a greater disparity than in recent years. For ACCA's Leadership group, the pressure on ACCA's business model and financial sustainability is leading to an internal focus on the fundamentals related to this, such as member and future member retention, growth, customer-centricity and other engines of financial sustainability. Linked to this, internally there is a greater emphasis on the concrete organisational outcomes that positive sentiment and experience among stakeholders generate. For example, members and future members rank 'member professional and career development' very highly, while the internal ranking prioritises the member retention and financial sustainability that result from the value members' perceive. Again, this may be indicative of the particular direct pressures senior ACCA employees are experiencing in their roles, compared to those ACCA employees are feeling in their working lives.

Looking forward, ACCA's areas of critical strategic focus in 2021-22 are strongly aligned to members' and future members' top priorities, focusing on member support and student progression, together with continuing to build a sustainable organisation.

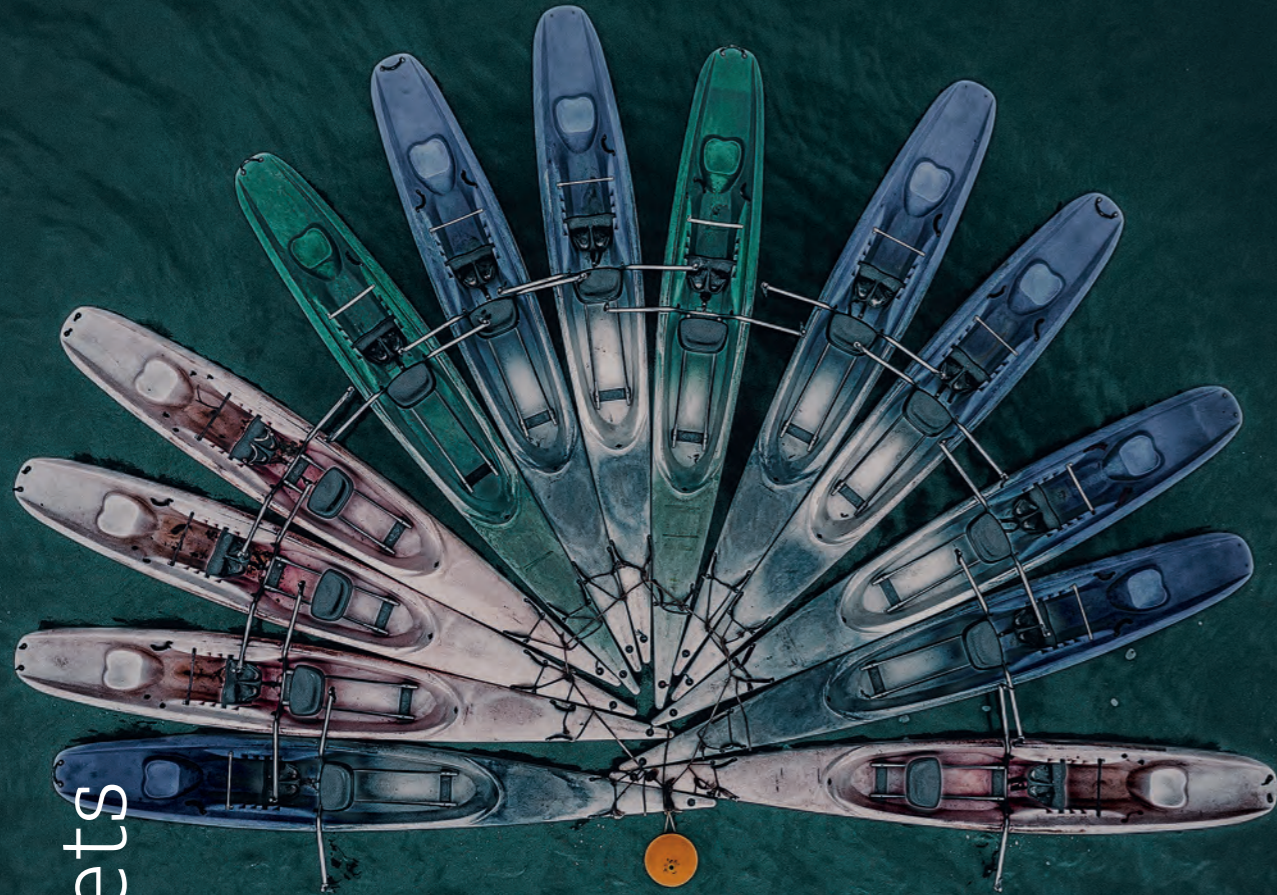
The materiality matrix

Issues closest to the centre of the diagram are highest rated for each group of respondents

— External Rankings
— Internal Rankings



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



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

Our purpose and values

Our purpose and values reinforce everything ACCA stands for: who we are, how we do it, and why we exist in today's world.

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

Values:

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

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

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

Our vision

The vision is to be #1 in developing the accountancy profession the world needs.

Strategy to 2025 framework

To deliver our vision, our strategy to 2025 sets out two outcomes: **Lead** and **Create**.



— Lead

Our proud, connected community delivers change for public good.

— Create

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

Within these outcomes, we have articulated clear ambitions for both ACCA and our community as detailed below:

Lead: Our proud, connected community delivers change for public good.

To deliver this strategic outcome, our ambitions focus on two key elements: *business and society and community.*

Between now and 2025 our ambition is to:

Business and Society	Community
Build an inclusive global profession, which supports the development of ethical, sustainable and successful businesses and economies	Maximise ACCA's role as a super-connector, drawing on our global presence to facilitate connections that deliver value
Ensure everybody has access to a quality finance and accountancy education to achieve their aspirations	Transform our network into a proud, connected community with members and future members at its heart
Promote ACCA as a trusted, forward-looking brand that inspires business leaders, employers and decision makers	Facilitate ACCA's community to think ahead and drive positive change
Influence governments, policy makers and regulators to draw on our global perspective to develop the profession	Draw on the community's collective experience to establish ACCA as a global voice leading the profession, reinforcing our reputation for bold leadership
Ensure our members are recognised as ethical, strategic professionals that drive trust in business for public good	Inspire people, employers, educators and organisations everywhere to join ACCA's growing and evolving community

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

To deliver this strategic outcome, our ambitions focus on two key elements: *knowledge and value*

Between now and 2025 our ambition is to:

Knowledge	Value
Be the global leader in identifying emerging issues and opportunities for the profession defining the way forward	Ensure the ACCA Qualification remains the first-choice global professional accountancy qualification for employers in all sectors
Leverage the collective expertise of our community to develop world-class insights	Ensure our future members are informed, motivated and supported to successfully progress to ACCA membership
Develop a deep understanding of our diverse community to anticipate what the marketplace and the world needs	Support our members, future members and continuous learners to enjoy dynamic and flexible careers both now and in the future
Provide every part of our community with access to the knowledge they need to succeed in a changing world	Support employers to build the capability of their teams, embedding ethics and professionalism across global business
Share ACCA's knowledge to shape the profession for the benefit of business and society	Use our unique knowledge to innovate, developing forward-thinking solutions to keep ACCA and the profession relevant and deliver value to the world

Targets are set by the Council Board for these Lead and Create outcomes and are linked to Executive remuneration.

To achieve our Lead and Create outcomes, we will also focus on building our strategic and operational capabilities, through an underpinning Deliver outcome. We'll concentrate on building our capabilities in three key areas: partners, talent and digital. Internal measures and targets are set by the Executive team for these areas of delivery in order to drive organisational progress and they are not linked to remuneration.

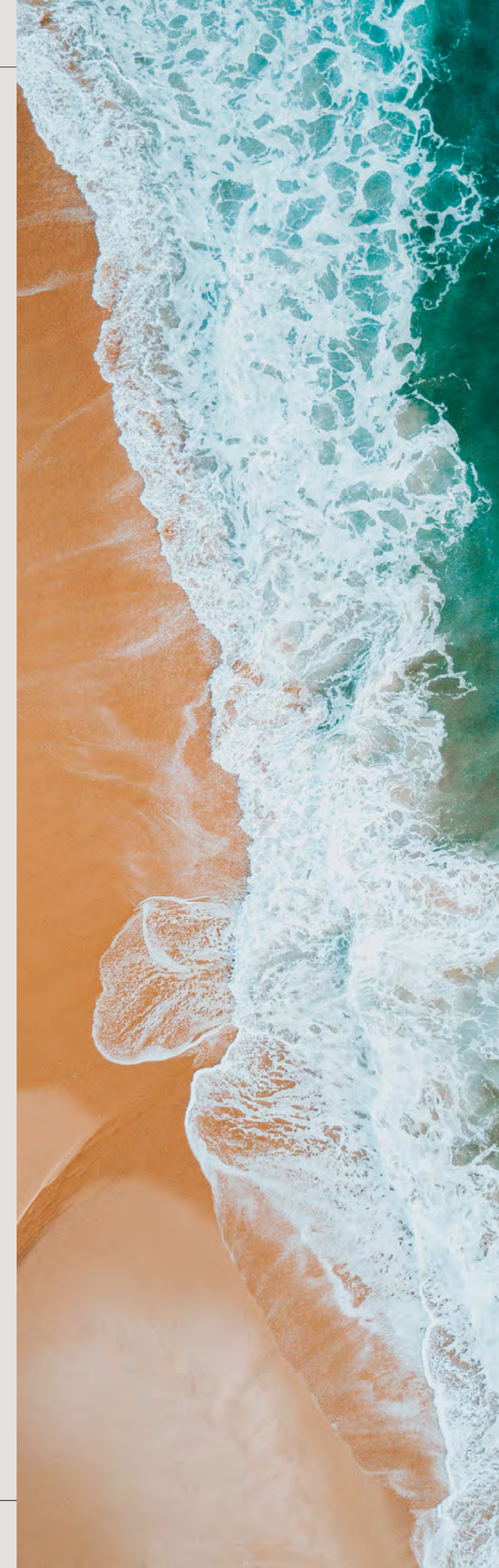
Our strategic focus in 2020-21

We'll assess progress against the strategy to 2025 through seven measures, continuing to adopt a balanced scorecard approach.

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

- **exam delivery and innovation:** we aimed to ensure that our exam delivery continued to evolve as the conditions become right for students to sit exams. That included continuing to roll out computer-based exams at the Strategic Professional level, bringing the market with us as we did so. And to ensure that our students could continue to progress, we accelerated our exploration of remote exam supervision.
- **member and future member support and retention:** our members and future members are at the heart of ACCA, and supporting them through the Covid-19 pandemic and its economic consequences was an absolute priority. In these challenging times, we recognised that we must be primed and ready to truly demonstrate the ongoing value of membership. By truly showing that we understand and support our community, we aimed to retain them, create ACCA advocates for the future, and also deliver the trusted professional accountancy community the world needs.
- **financial sustainability:** in evolving circumstances, we focused intently on costs and planning for a range of challenging scenarios with associated mitigations.

The Council Board approved formal targets for these areas of critical strategic focus, with the Executive team setting internal expectations across the entire balanced scorecard, which they monitored throughout the year.



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

In 2021–22, and recognising the continued need for focused attention, we have once again homed in on areas of critical strategic focus and agreed specific targets against five key areas (p79).


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


Our commitments to the UN Sustainable Development Goals

ACCA's purpose, values and strategy to 2025 already closely align to the UN Sustainable Development Goals (UNSDGs). In December 2020, we took a significant step forward by setting out our commitments to the UNSDGs, which we will deliver by 2030 in line with the UN's decade of action.

We know we can make the most significant contribution by supporting and empowering our proud, connected community. We're also in a strong position to positively influence governments, policy makers and regulators on sustainability matters, and develop the profession in alignment with the UNSDGs. And we're making commitments as an employer and in relation to our own operations, including our commitment to becoming Net Zero by 2030.

In March 2021, we agreed our approach to embedding the commitments and using them to inform how we deliver our strategy. In Q1 of 2021–22, we'll start to build a holistic picture of existing and planned cross-organisation activity and use this to identify synergies and opportunities. As we develop, we'll use our integrated report to update our stakeholders on our progress against these commitments. In the meantime, we have agreed the following measures, aligned to our balanced scorecard where appropriate, which we'll begin reporting against from 2021–22.

Commitment	Rationale	How we'll measure progress	Rationale
 <p>4 QUALITY EDUCATION</p> <p>We will offer access to a quality finance and accountancy education that is free from artificial barriers.</p>	<p>The commitment links to Target 4.3: <i>By 2030, ensure equal access for all women and men to affordable and quality technical, vocational, and tertiary education, including university; and Target 4.4: Substantially increasing the number of youth and adults who have relevant skills, including technical and vocational skills for employment, decent jobs and entrepreneurship.</i></p>	<p>% of students passing exams in year.</p> <p>% of members completing CPD declaration.</p>	<p>Students progressing through our Qualification is a clear gauge for the quality of education delivered through our partner network and student support. We also know in setting the standards for what constitutes continuous professional development, we are promoting quality education offerings to our members. Both of these measures will therefore positively impact the number of people with relevant skills.</p>

Commitment	Rationale	How we'll measure progress	Rationale
 <p>We will promote gender equality across our global community and achieve gender equality across our employee population.</p>	<p>The commitment links to Target 5.5: <i>Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life</i></p>	<p>Publishing and improving our gender pay gap for employees at all levels - UK only.</p> <p>Publishing and improving, gender balance in terms of member and future member numbers.</p>	<p>We know that our profession has a way to go to address gender inequality. We are therefore focusing on addressing gender inequality internally, while simultaneously working with our community to assure women are equally represented across our member and future members.</p>

 <p>We'll support our community to progress in their careers so they can actively contribute to sustainable economic growth.</p>	<p>The commitment links to a number of targets, including Target 8.2: <i>Achieve higher levels of economic productivity through diversification, technical upgrading and innovation, including through a focus on high value added and labour intensive sectors</i>; Target 8.3: <i>Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services</i>; and Target 8.6: <i>Substantially reduce the proportion of youth not in employment, education, or training</i>.</p>	<p>Admission to membership (i.e. our creation of professional accountants) contributes to our Vision measure in the balanced scorecard.</p> <p>Continuous learning measure to be confirmed.</p>	<p>Professional experience requirements for ACCA membership mean we know those achieving membership are progressing their careers, supporting economic productivity and reducing the number in unemployment. We also know that the provision of effective continuous learning allows individuals to reskill, avoid unemployment and access high-quality jobs. It is for this reason that we will also be determining a measure suited to this aim over the coming year.</p>
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We will empower our community so they can support organisations to be ethical, sustainable, successful and able to participate in the global economy.

The commitment links to Target 9.3: *Increase the access of small scale enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets*; and Target 9.a: *Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological, and technical support to African countries, least developed countries, landlocked developing countries and small island developing States*.

% of members who believe ACCA understands my needs.

Employer brand strength research score.

We're taking a two-pronged approach here. Firstly, analysing whether members believe we understand their needs because their primary role in employment is to support organisational success. Secondly, we are developing an employer brand strength score to determine the value employers place on ACCA and, by proxy, the weight given to our views when we influence them to be ethical, sustainable and successfully participate in the global economy.





We will advocate for inclusion, diversity and social mobility within and on behalf of our community, and ensure ACCA is a fair and inclusive place to work.

The commitment links to Target 10.2: *By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status*.

Publishing and improving our ethnicity pay gap for employee at all levels - UK only.

Our inclusion, diversity and social mobility impact on our community is not currently measured.

We know that our profession has a way to go to address inclusion, diversity, and social mobility. We will therefore focus on the release of our first ethnicity pay gap report, along with steps to address areas of concern. Externally, we will also undertake a review of our inclusion, diversity, and social mobility impact in order that we can set a measure to best drive activity.

Commitment	Rationale	How we'll measure progress	Rationale
 <p>We will promote sustainable practices and reporting, working with our community and our employees to reduce the consumption of resources.</p>	<p>The commitment links primarily to Target 12.6: <i>Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.</i></p>	<p>New measure to be set based on PI internal measure currently in development. Aim will be to narrow measurement to SDG 12 for the purpose of our commitments.</p> <p>Year 1 Action: ACCA employees carrying out sustainability learning.</p>	<p>Our professional insights are critical to encouraging companies to adopt sustainable practices. We are therefore working to measure their impact. Internally, we will also carry out an action to deliver employee sustainability learning as we know a culture shift is required to achieve our SDG commitments.</p>
 <p>We will embed green finance in our qualifications and learning products to raise capacity across the profession for climate change mitigation.</p> <p>We will advise and support governments and regulators to develop and adopt the regulations and reporting practices needed to transition to a Net Zero carbon economy.</p> <p>At ACCA, we're committing to becoming Net Zero by 2030</p>	<p>The commitments represent a three-pronged approach to taking climate action, primarily linking to Target 13.3: <i>Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.</i></p>	<p>Year 1: Embedding relevant climate finance and green finance content into the ACCA Qualification.</p> <p># of continuous learners who have carried out green learning with ACCA.</p> <p>Carbon reporting for ACCA and shifting to net zero by 2030.</p>	<p>We already embed climate finance and green finance into our qualification, but we will continue to review our syllabus to amend where necessary. We also acknowledge that some members may not have been exposed to this learning and are developing green learning products to support continuous learning in this space. Finally, we will lead by example by achieving net zero before 2030. This starts with setting science-based targets over the coming months.</p>



We will promote and adhere to the highest standards of professionalism, integrity and ethics.



We will work in partnership with others to build an inclusive global profession that supports the development of ethical, sustainable and successful businesses and economies.

The commitment links primarily to Target 16.6: *Develop effective, accountable and transparent institutions at all levels.*

Customer survey: "ACCA promotes the highest professional and ethical standards"

Promotion of ethics and professionalism is core to ACCA but we will use this measure to bring a renewed focus to promoting, and being, an effective, accountable and transparent institution.

This commitment links to a number of the targets relating to this SDG, including: Target 17.9: *Enhancing capacity building in developing countries*; Target 17.13: *Enhancing macroeconomic stability through policy coordination and coherence*; Target 17.14: *Enhancing policy coherence for sustainable development*; and Target 17.16: *Multi-stakeholder partnerships that mobilise and share knowledge and expertise to support the sustainable development goals.*

% of partnerships that have a focused commitment to the UNSDGs (e.g. noted within agreement).

% of existing partners that perceive ACCA as the right partner to help them achieve their UNSDG ambitions.

We must assure that the work we do with our partners has a positive impact on the UNSDGs. For this reason, we will begin measuring the number of partnerships entered into with a focused commitment to the UNSDGs. Furthermore, we will assure delivery against this promise by asking each partner to rate our effectiveness in achieving their UNSDG aims.

Our performance discussion concentrates on our three areas of critical strategic focus for the year and the four targets agreed with the Council Board in relation to these. We achieved three of these four targets in 2020-21:

Critical strategic focus measure	2020-21 year-end target	2020-21 year-end result	Achievement
Member retention	94.7%	97.0%	Met ✓
Future member retention	82.1%	83.8%	Met ✓
Inclusion: % agreeing that ACCA acts with members' and future members' best interests at heart	70%	67.4%	Not met ✗
Surplus/(deficit) before tax	-£8.9m	£20.3m*	Met ✓

In addition, we've provided an overview of our performance across our balanced scorecard, highlighting areas of strong performance as well as the challenges that will inform our focus for 2021-22.

Member retention

Five year performance

	Prior year actuals				Current year actuals	Targets	
	2016-17	2017-18	2018-19	2019-20	2020-21	2020-21	2021-22
% of members retained	97.9	97.4	97.7	97.4	97.0	94.7	97.0

All our key markets achieved their targets (except for mainland China, where our original pre-pandemic target was not reduced to take account of the effects of the outbreak, in anticipation of quicker and stronger recovery than proved to be the case within the performance year). While we have ended the year 2.3% above expectation, member retention nevertheless fell by 0.4% from the prior year.

At 233,019, our member full file exceeded expectation, primarily due to the stronger than expected retention we achieved. Globally, this represents year-on-year growth in membership of 2.5%. All our major markets met or exceeded expectation, except for India, where the pandemic hit especially hard in Q4 of 2020-21 and continues to have a devastating effect on the economy and society.

Globally, new member admissions of 12,504 for the year were also slightly ahead of expectation, but 1,431 behind the prior year.

Future member retention

Five year performance

	Prior year actuals				Current year actuals	Targets	
	2016–17	2017–18	2018–19	2019–20	2020–21	2020–21	2021–22
% of members retained	83.0	84.7	85.5	84.5	83.8	82.1	83.8

Retention (83.8%) was above expectation (82.1%), if below last year (84.5%).

Among our major markets, Mainland China, Nigeria and Pakistan ended the year below expectation, but all had higher relative targets than other markets. Singapore, which had low retention performance in 2019-20, bounced back strongly in 2020-21, despite the challenges of the pandemic.

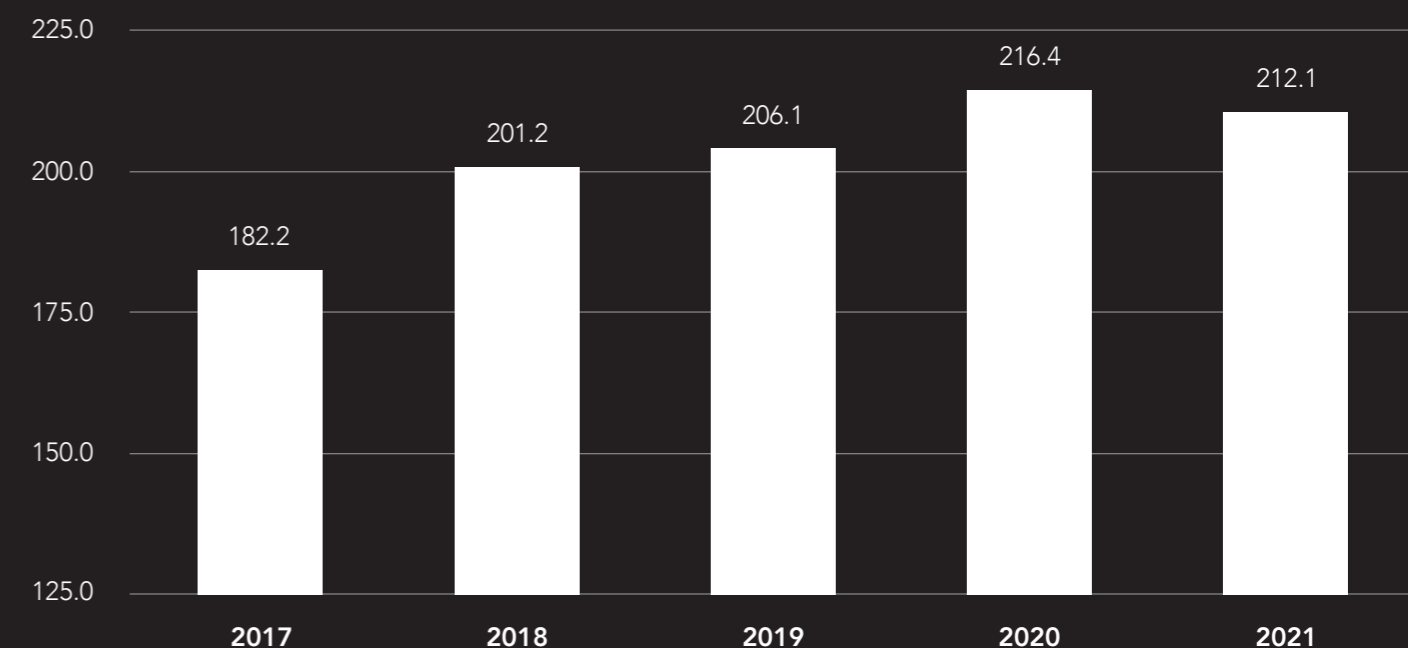
Our future member file ended better than expected, despite lower than anticipated initial registrations. However, this nevertheless represents a contraction of -1.4% on our 2019-20 future members' full file, reflecting the effects of the pandemic on recruitment and entry-level positions. As a direct result of these economic and social restriction effects, student recruitment ended 3,663 behind expectation and 16.4% down on 2019-20 levels.

Financial performance in 2020–21

Five year performance

	2016-17	2017-18	2018-19	2019-20	2020-21
Surplus/(deficit) before tax	£(6.0)m	£(8.6)m	£(35.8)m	£2.3m	£20.3m
Target	£(4.9)m	£(18.3)m	£(14.8)m	£1.0m	£(8.9)m

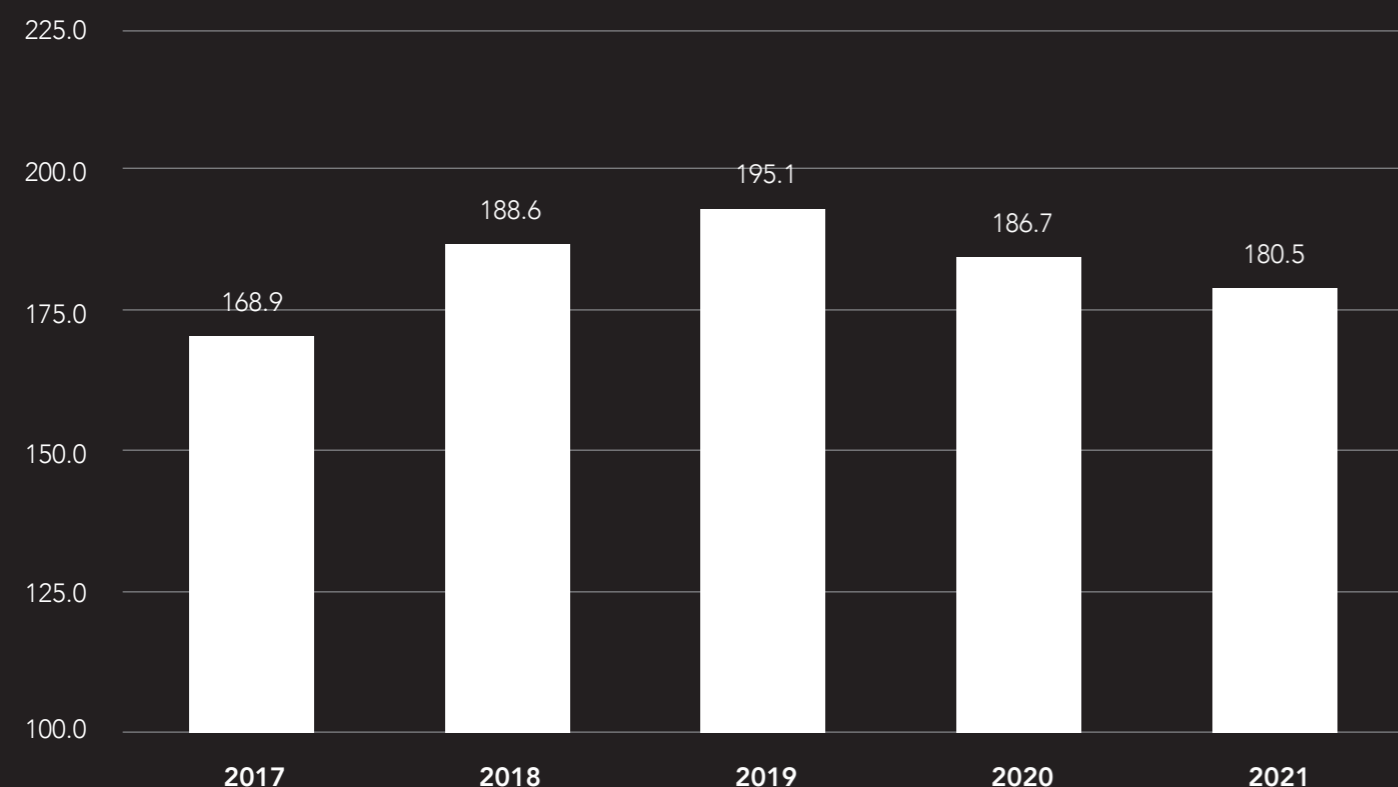
Revenue (£M)



ACCA has access to strong, secure revenue streams through the recurring subscriptions from members and future members. With the unprecedented impacts from Covid-19 across the world, ACCA reacted quickly to support our members through access to hardship and support funds to maintain membership, and the provision of free and low-cost CPD and virtual networking

opportunities. Given the various local control orders in our markets, the ability to run centre-based exams was impacted, but the development and launch of our remote exams solution meant that future members were supported with another option for them to continue their journey with us.

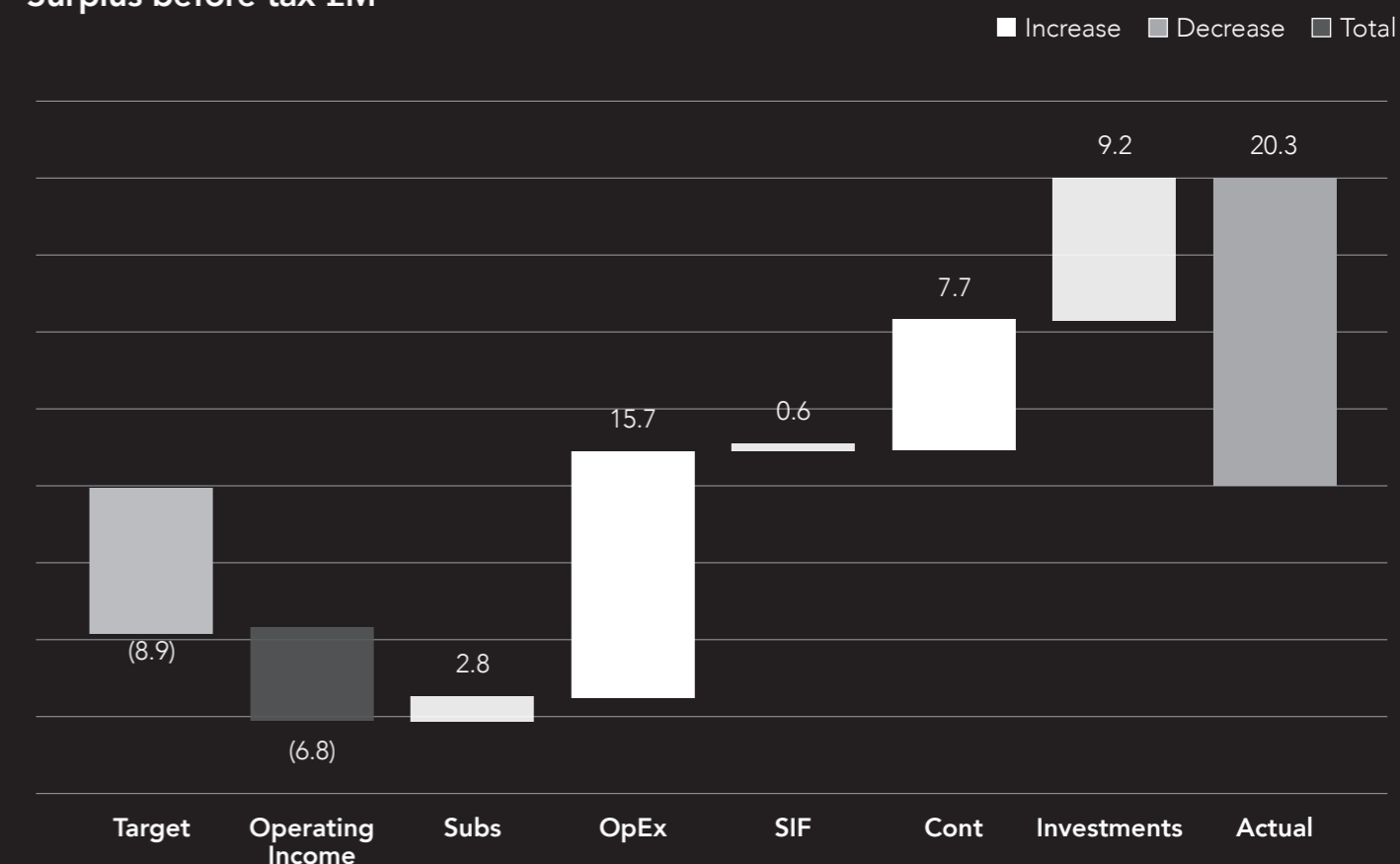
Operating expenditure (£M)



Operating expenditure fell to £180.5m, which represents a 3.3% decrease from prior year. ACCA revised its initial budget expectations at the start of the year as the extent of the covid pandemic became apparent. Activities and events were moved to the second half of the year as it was assumed that local control orders would prevent any planned activities from going ahead. All mandatory meetings were moved to virtual delivery methods and employees were supported to work from home through access to laptops and online collaboration tools. Due to the second wave impact, many of the planned activities and events were unable to be delivered and ACCA was able to reduce its operating expenditure for the year.

Our strategic investment this year has continued to support our strategy to 2025 and our digital ambition. We have successfully rolled out our remote examination solution and deployed this to great effect during the pandemic and our transition to a modern, cloud-based Finance, CRM and data systems continues with the first deployment scheduled for July 2021.

Surplus before tax £M



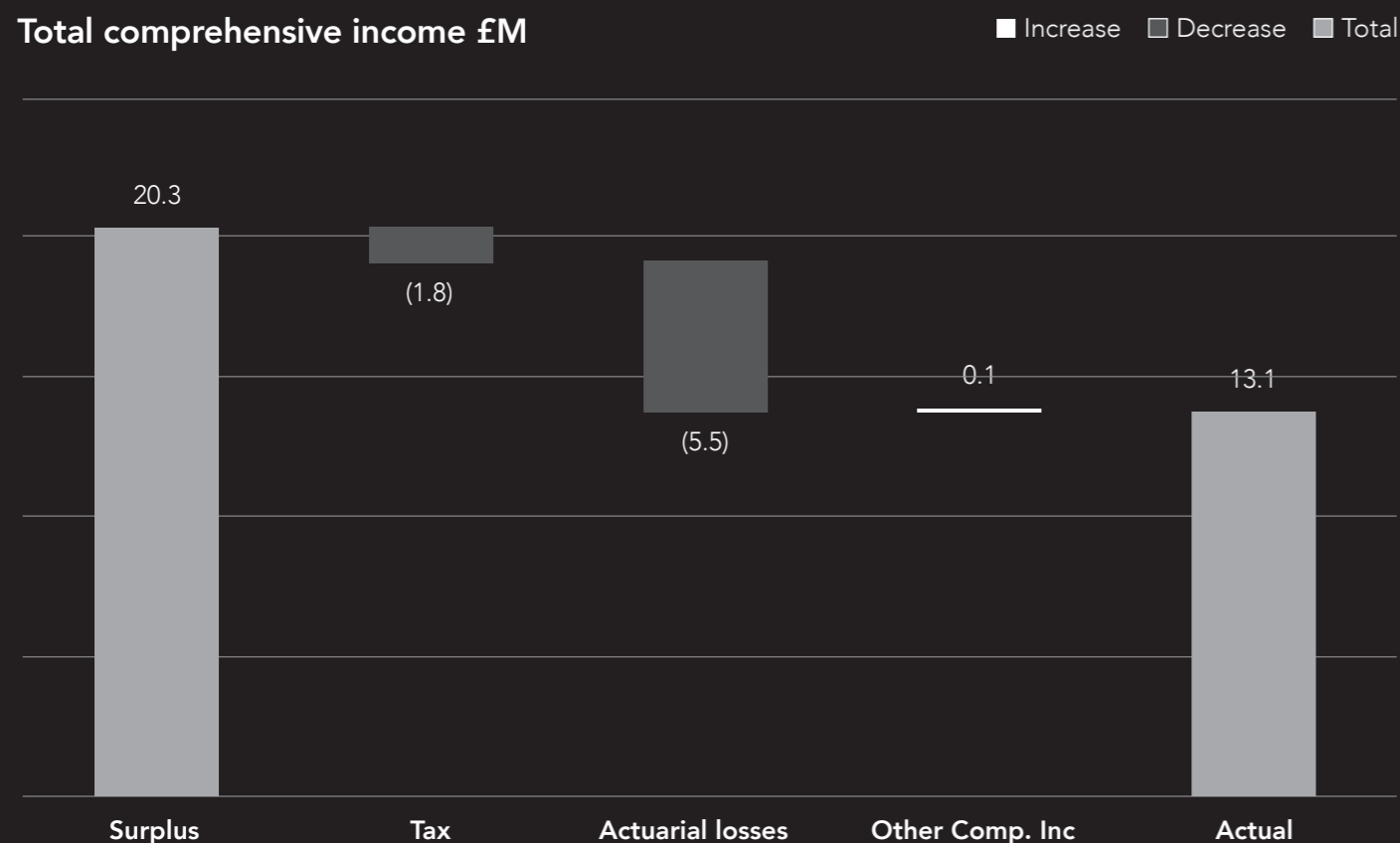
Our pre-tax surplus of £20.3m was achieved against a budget pre-tax deficit of £8.9m. ACCA responded quickly and effectively against the impacts of Covid-19, and the rapid investment and delivery of our remote exam solution helped mitigate impacts on our revenue, while the cost management measures put in place resulted in planned contingency not being required. Our financial investments recovered strongly after the extreme volatility experienced in the prior year. The investments are held for the long term, are well diversified and the majority are held in liquid funds.

Other financial information

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

Our total comprehensive result for the year to March 2021 amounted to a surplus of £13.1m mainly as a result of tax of £1.8m and actuarial losses of £5.5m on the defined benefit pension schemes.

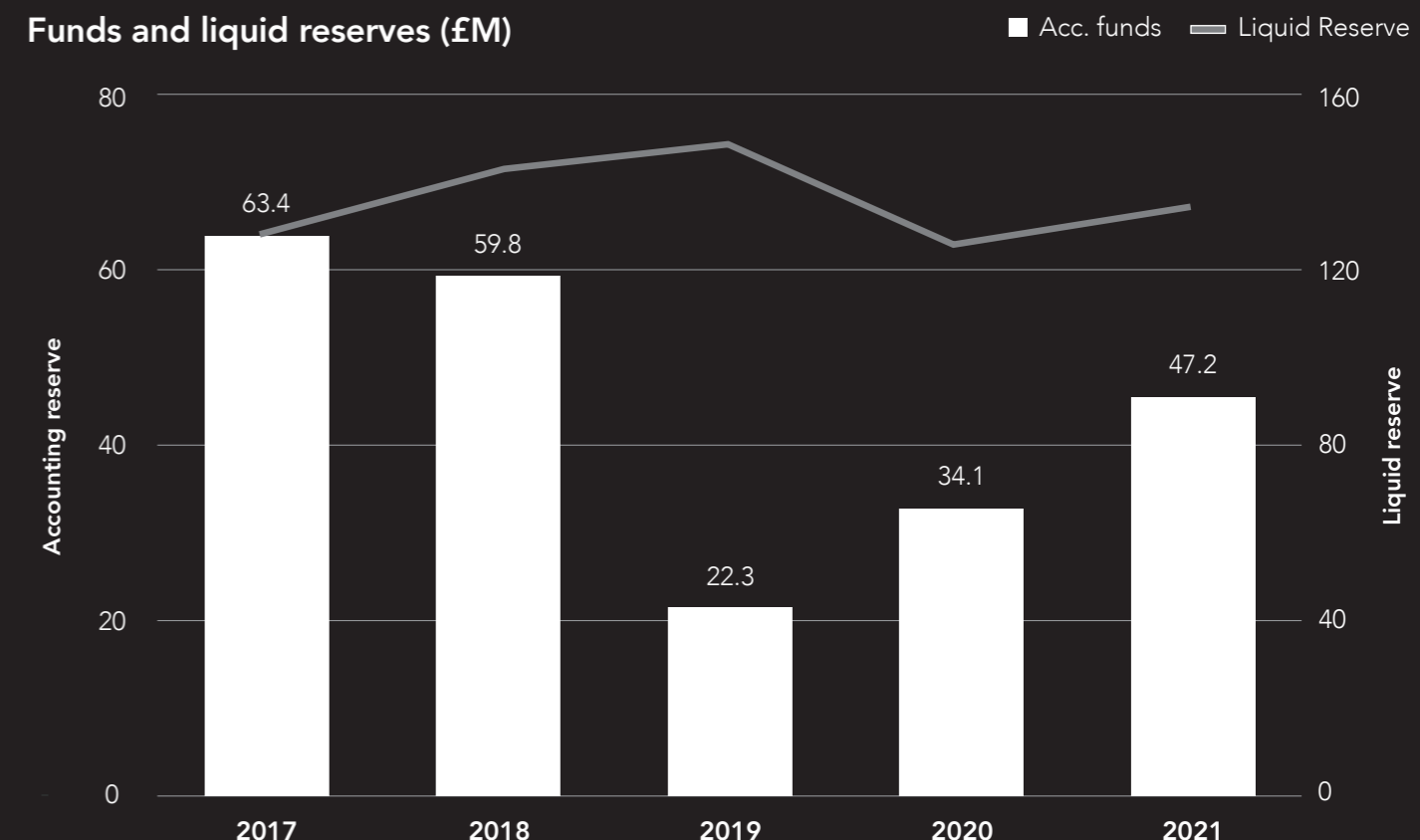
Total comprehensive income £M



We operate defined benefit pension schemes in the UK and Ireland, both of which are closed to future accrual. These schemes are valued each year-end and actuarial gains or losses are taken to comprehensive income. This year, the actuarial losses amounted to £5.5m,

which was driven by a change in the financial assumptions, e.g. a small decrease in the discount rate and increase in the inflation rate. The deficit remains consistent with prior year at £17.8m.

Funds and liquid reserves (£M)



Council has a long-term target to build the accumulated fund to 60 days of operating expenditure. At March 2021, the Accumulated Fund represented 68 days of operating days expenditure and reflects the strong surplus generated in the year.

Council also monitors balance sheet liquidity, and has agreed that it will maintain a level of liquid reserves to cover ACCA's exposure to corporate risks that would result in a consequential loss to ACCA, which could reduce overall financial strength and create a risk that ACCA was unable to settle liabilities as they fall due. Liquid reserves are defined as the total of cash, liquid short-term and long-term investments, less any short-term borrowing. ACCA also has access to a £25m revolving credit facility supported by the UK government's CLBIL scheme but hasn't required to draw down on this facility during 2020-21.

Total assets increased from £232.1m to £246.7m, mainly as a result of the surplus for the year. At March 2021, our liquid investments including short-term cash funds was £94.6m and our cash balances were £40.9m.

More detailed financial information is available in our consolidated financial statements.

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

Our critical strategic focus for 2020-21 pointed our attention towards a key question in our monthly relationship survey – the percentage of members and future members who agree that ACCA acts with their best interests at heart.

Data is now collected monthly from one-twelfth of members and future members, allowing us to see long-term trends more clearly. Reporting is based on 12 months of rolling data, providing the moving annual total. As this is a new sampling methodology for ACCA, we are not providing prior-year comparatives for this measure.

Our combined 'best interests' result was **67.4%**, ending the year 2.6% below the target of 70%, and 0.1% below the +/- 2.5% margin set for the 2020-21 target.

This year has presented unique challenges for our community, but insight-driven actions have helped our members and future members feel supported. Members' and affiliates' perceptions have improved over the course of the year, and student perceptions remained stable overall, despite the impact of the pandemic on progression. Providing a well-connected community, understanding needs and providing value for money are the drivers we need to continue to focus on to improve our scores, while maintaining our strong brand and further improving our tailored communications.

Members

72.3% of members agree that ACCA has its members' best interests at heart. One of the main insights we gained this year is the importance of relevant communication for members, and the actions being implemented here are aimed at improving perceptions.

Members' perceptions of ACCA steadily improved this year as we have focused intently on engagement and support during the global pandemic. We hope that recent activity, such as segmentation for our *AB Direct* communication and the launch of our Practice Connect hub, will begin to have an impact in the coming year. It will be important to build on the segmented approach we have started this year and leverage our assets to improve members' perceptions of ACCA as having their best interests at heart.

All employment sectors are beginning to benefit from this more segmented approach to our communications and resources, with all seeing at least a small increase. We saw the most significant gains in the public sector, corporate sector and small practice firms. In particular, members in small practices perceived increases in most areas we surveyed, and we saw especially large gains for our communications, resources and 'understands my needs' measures.

Students

63.1% of students agree that ACCA has its students' best interests at heart. This result has remained relatively stable since Q1, with some fluctuations around exam periods.

Students expressed a range of worries relating to lockdowns. These included the impact on their wellbeing and that of their families, their ability to sit exams and their financial situation. Overall, despite some ups and downs, we managed to maintain student sentiment across the year.

To address students' challenges, we introduced remote invigilation, our InSession series, podcasts and Instagram Live sessions to further support their studies. To improve sentiment in the year ahead, we recognise that we need to consider the student experience of sitting ACCA exams and their experience of ACCA between exam sessions. We plan to use what we've learnt to further support students by capitalising on the coordination we've established between our central and market communications, continuing to consider the impacts of changes to exams, and helping students study smarter, all of which will support them in their progression with ACCA.

Affiliates

56.6% of affiliates agree that ACCA has its future members' best interests at heart. While remaining the lowest scoring group, they have also seen the most improvement over the year.

Affiliates expressed concerns about the pandemic's impact on their employment and their ability to complete their practical experience requirements. Our focus on understanding the challenges affiliates face, and subsequent quick action in providing support to them – via an improved communications journey, our Covid-19 hub resources, virtual careers fairs and financial assistance for subscriptions – helped ease these concerns.

In the long-term, affiliates' interests in skills development are being addressed by our new affiliate-focused events. A working group has helped increase awareness of the challenges this group face in their journey to membership. Additional research has been undertaken to provide an in-depth understanding of barriers to progression and investigate potential solutions to support affiliates further.

We have now collected one year's worth of perception data from our relationship survey. In the coming year, we'll begin to look at year-on-year changes and use supporting research to continue targeted actions to improve our members' and future members' perceptions and the support we offer.

Performance across our balanced scorecard in 2020–21.

Although we chose to focus on defined critical strategic focus areas in 2020–21 – and will be doing the same in 2021–22 – we’ve nevertheless monitored performance across our entire balanced scorecard throughout the year. This is to both inform where we need to focus our attention in future years and so that we have this complete performance picture to build on when conditions return to greater normality. Early in 2020–21, we adjusted our performance expectations across the balanced scorecard to reflect the anticipated impact of the pandemic on our original projections.

Outcome	Measure	2020–21 original expectation	2020–21 Covid-adjusted expectation	2020–21 result
Vision	# of members	234,600	227,612	233,019
Lead	<i>Innovation</i> : % agree that ACCA shapes the accountancy profession	80%	80%	83.8%
	<i>Integrity</i> : % agree that ACCA promotes the highest professional and ethical standards	80%	80%	87.8%
	<i>Inclusion</i> : % agree that ACCA acts with members’ and future members’ best interests at heart	70%	70%	67.4%
	Market share	21.2%	20.6%	21.1%
Business and society	Financial sustainability	£1.0m surplus (before tax)	£8.9m deficit (before tax)	£20.3m surplus (before tax)
Community	Net promoter score (NPS)	+32.0	+32.0	+31.4
Create	# of future members	578,800	533,105	536,815
Knowledge	% agree that ACCA understands my needs as a member/future member	60%	60%	62.1%
Value	# of exam entries	831,000	708,364	595,425
	% of students passing an exam in the year	35.7%	27.0%	29.3%
	% affiliate to member conversion	68.5%	67.2%	67.5%

Despite the challenging environment, we grew our member file by 2.5%. However, we also saw the lowest member retention levels since 2007. This highlights the importance of our continued critical strategic focus on member support.

Another notable highlight is the strong performance in our perception measures, with 83.8% of our community agreeing that we shape the accountancy profession, and 87.8% agreeing that we promote the highest of professional and ethical standards. As these are two of our defining values and so central to our brand, strong scores here are really pleasing. Similarly, we’ve performed well in terms of our overall net promoter score.

On market share – which we measure in relation to the member numbers of our key international competitors – we have achieved a 21.1% share, outperforming our expectation of 20.6% share. Our member growth rate, at 2.5% in 2020–21, is the highest among those bodies we measure our market share against, and represents strong performance in a volatile and challenging global environment.

We saw greater challenges in terms of our future members, where numbers dropped by 1.4% overall. We achieved 18,465 fewer recruits than the previous year, which is a 16% contraction. We also saw retention challenges across all future member groups – at 83.8%, only our 2016–17 retention performance was lower.

Despite our intensive work on offering new ways for students to continue their exam journey, we ended the year 235,575 exam entries behind our original expectation. This reflects the fact that every student had at least one exam session disrupted in the year. This disruption is reflected in student perceptions, where the ability to take exams and the exam experience is a key driver of satisfaction.

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

We consider risk across three broad types:

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

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

To strengthen our risk management approach, we have introduced new risk software, Protecht ERM, to provide a holistic view of organisation-wide risks and opportunities in one central repository. This process is supported by internal subject matter experts and contributions from wider stakeholders across the business, while we continue to monitor changes in our wider environment that could impact our strategy.

Eleven risks are currently held on our corporate level risk register (11 for the year ended 31 March 2020). Most of these risks are long-standing ones that are intrinsic to the achievement of our strategy and our operations as a global professional accountancy body. Following the inclusion of two new risks in 2019-20 (the risks around the evolution and ongoing attractiveness of the ACCA Qualification and the profession as a career, and those associated with our significant programme of digital transformation), an existing risk on student progression has been broadened and rephrased to recognise the importance of our affiliates in growing our future membership base.

Ownership and oversight

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

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

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

Risk appetite statement

In achieving our vision of being #1 in developing the accountancy profession the world needs, we seek opportunities to operate in every country where we believe we can positively contribute to the accountancy profession and create public value. We have an open appetite for taking well-managed risk where innovation and transformation can create change for public good, build long-term value, and create opportunities for clear improvements in our ability to achieve our vision and strategy. Trust and integrity sit at the heart of our ambition. To this end, we hold an averse appetite to risks that call into question the ethics of the profession, the value accountancy creates, or establish doubt about our own ethics as an organisation.

Corporate risks and uncertainties

Risk	Key mitigations
Unable to accurately forecast income and costs	<ul style="list-style-type: none"> • Monthly review of variances in key income streams • Quarterly forecasting of financial performance to give early warnings of shortfalls • Ongoing financial scenario development based on latest information • Key costs forecasted on driver-based modelling • Exam Forecasting Forum reviews exam volume forecasts in consideration of capacity
Supporting our students in exam progression and ensuring that affiliates accomplish their journey to full membership	<ul style="list-style-type: none"> • Supporting capability building of learning partners and tutors to adapt to qualification changes and address market-specific challenges • Strategic partner approach with key Approved Learning • Monitoring of future member progression rates • Partner support – train the trainer • Enhanced resource offering to improve employability
Failures in our end-to-end exam processes	<ul style="list-style-type: none"> • Robust end-to-end processes and controls • Contracts with strategic suppliers to ensure process deliveries within required performance measure and governance framework • Exam Contingency Group monitors and addresses potential and actual disruption to exams • Contingency plans in place and reviewed each exam session • Exams compensation and insurance policies in place

Ability to operate is restricted

- Monthly monitoring and escalation of recognition
- Leveraging existing forms of recognition and partnerships across our markets, including those with national bodies, regulators and relevant ministerial authorities
- Cross-functional support, expertise and collaboration to strengthen the profession, develop and deliver partnerships, and market recognition initiatives for enhancement of global recognition portfolio

Failure to comply with existing, changing or new regulatory or legislative requirements

- Internal/external audit process in place to address compliance
- In-country legal advisers identify changing and new legislation
- Subject matter experts across ACCA provide expert compliance advice
- Global compliance policies in place owned by the Compliance Review Group

Loss of data or sensitive information

- Regular reviews against ACCA's industry-standard controls framework to measure IT security status and maturity improvements, and ensure that targeted activities provide value to ACCA's overall cyber security posture
- Cyber Security Team contributes to compliance and regulatory governance forums to ensure understanding of compliance position and requirements on ACCA

Distribution network unable to support changes to ACCA's business model

- Market Adoption Steering Group to support marketplace in embedding changes to ACCA Qualification model
- Increasing global computer-based exam capacity to support exam delivery
- Global tutor support plan to support changes

Failure to comply with educational regulators' requirements

- Quarterly review to confirm compliance with Ofqual conditions
- Customer Service Regulatory Compliance Group established
- Annual review and statement of compliance with Ofqual and SQA conditions
- Continual improvement of production and delivery systems and/or processes to detect and prevent error

Challenges and opportunities arising as a result of the UK's exit from the EU

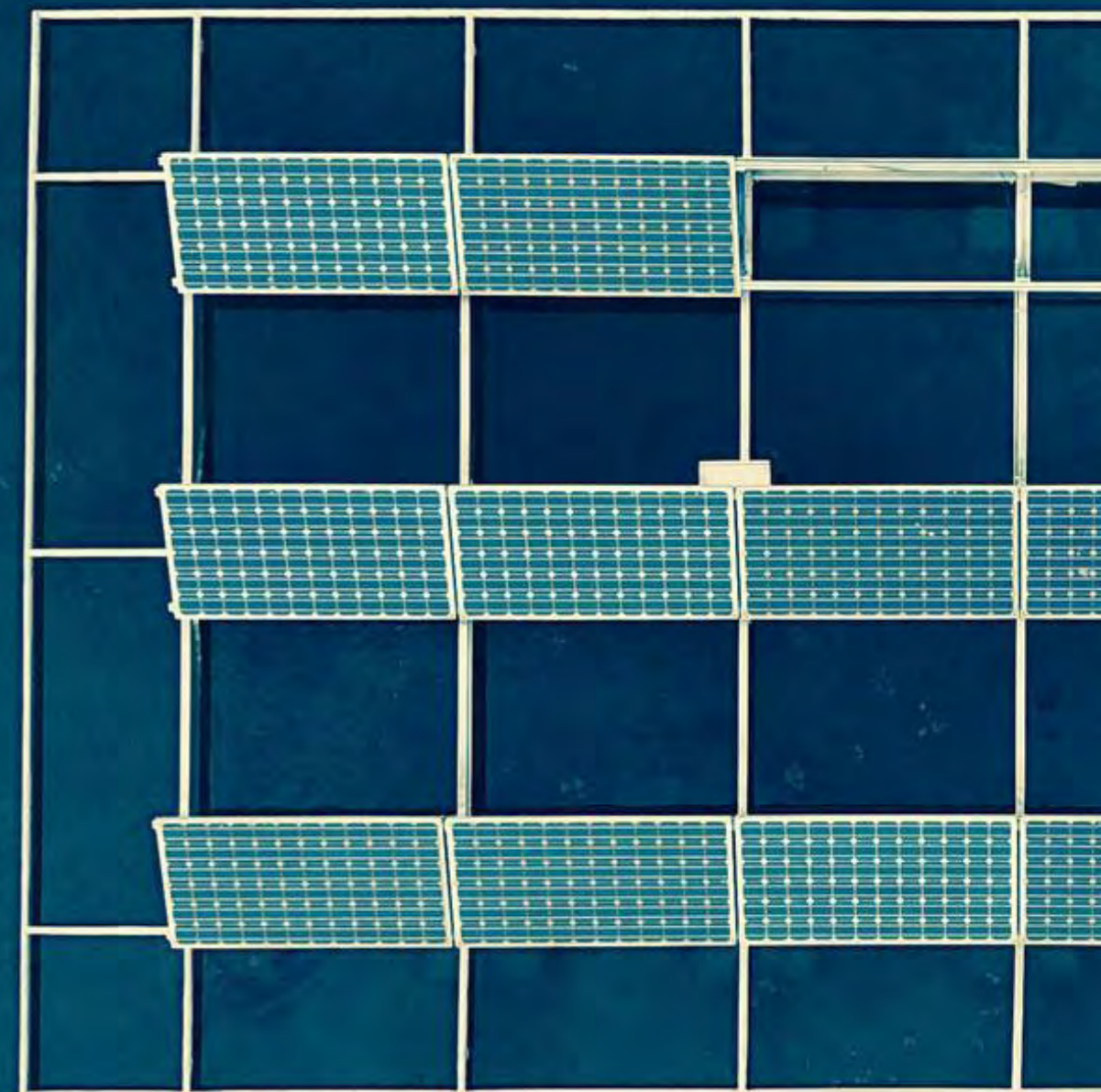
- EU Exit Oversight and Working Groups to oversee and direct risk and control activities
- Scenario analysis undertaken covering ACCA people, procurement and supply chain, data, recognition (audit) and EU student flows, with action plans for each area
- Representing interests of ACCA and our members through responding to consultations
- Maintaining brand through messaging and guidance to ACCA members and other stakeholders
- Detailed and ongoing engagement with regulators
- Management of foreign exchange risk with forward hedges in place

Corporate risks and uncertainties cont.

Risk	Key mitigations
Digital transformation	<ul style="list-style-type: none"> • Rolling external assurance plan in place for each financial year focused on benefits realisation, change management approach, areas of potential risk of scope creep • Monthly financial review meetings • Quarterly benefits review • Benefits tracked and incorporated into five-year plan and reviewed every six months • Digital Maturity Model to support realisation of benefits to both internal and external stakeholders
Relevance and attractiveness of the accountancy profession	<ul style="list-style-type: none"> • Developing a consistent, compelling message around why accountancy presents a strong and viable career • Review of member value proposition • Demonstration of our sustainability credentials • Enhanced segmentation of, and research into, prospect groups to better define outreach

12

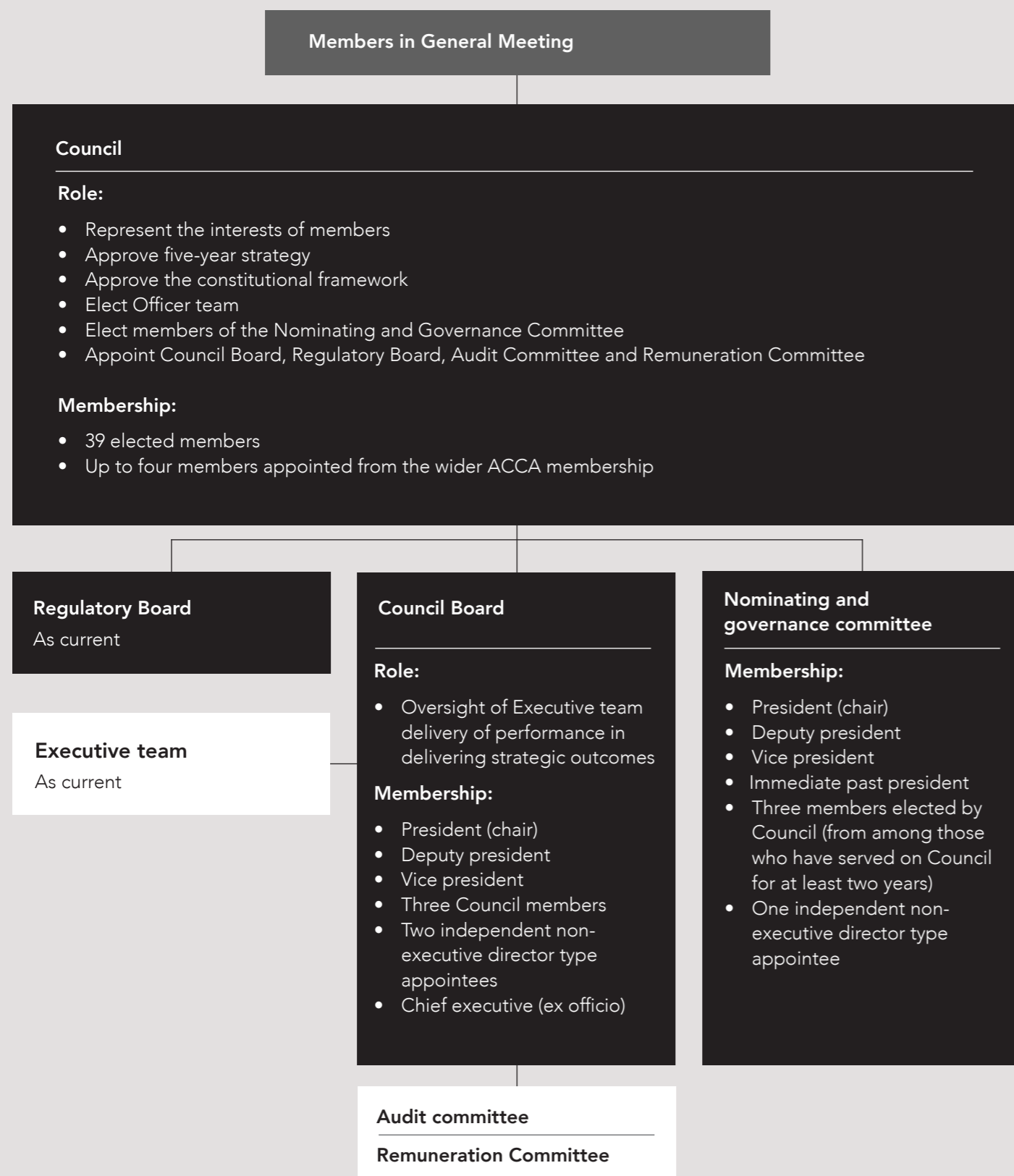
Governance, leadership and people



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

ACCA's Governance Model

— Governance remit — Operational remit



Following resolutions approved at the 2017 AGM, we have continued rolling out our programme of governance reforms. These innovations are designed to strengthen oversight and increase organisational agility, specifically by:

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

Reforms in 2020-21

In November 2020, we began the second phase of these reforms, which will see us increase the size of Council over three years from 36 to 45 members, equally phased as three additional seats per year. To ensure geographical diversity of representation, we have implemented a mechanism of 'caps and collars', with:

- a cap of equal to or no more than 50% of Council members coming from the same region
- a collar of at least one Council member from each ACCA region.

Election by the global membership remains the primary process for populating Council, with full transparency on the caps and collars in place as the mechanism for reserved places. Should the cap be triggered following a Council election, the election results would be used to take the lowest 'successful' candidate in the election from that region and replace with the next highest 'unsuccessful' candidate not from that region. Should the collar be triggered, this is filled through the co-option route, via recommendation from the Nominating and Governance Committee to Council.

The three additional places on Council created in 2020 were all filled through election, with the cap or collar mechanism not being triggered.

Council – responsibilities and composition

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

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

Council 2020-21

Alice Yip
Amos Ng
Arthur Lee
Ayla Majid
Babajide Ibranke
Ben Catlin
Brendan Sheehan
Brigitte Nangoyi Muyenga
Carol-Ann Boothe
Cristina Gutu
Datuk Zaiton Mohd Hassan
Dean Lee
Den Surfraz
Dinusha Weerawardane

Gillian McCreadie
Jenny Gu (past president)
John Cullen
Joseph Owolabi (vice president)
Joyce Evans
Kevin Fitzgerald
Liz Blackburn
Lock Peng Kuan
Lorraine Holleway
Mark Millar (president)
Marta Rejman
Maryam Abisola Adefarati
Matt Dolphin
Matthew Wong

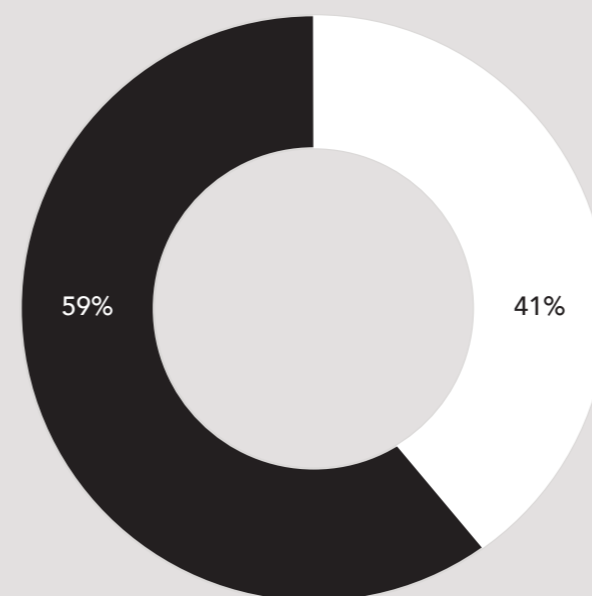
Melanie Proffitt
Michelle Hourican
Mohd Nasir Ahmad
Natalie Chan
Nauman Asif Mian
Orla Collins (deputy president)
Oxana Losevskaya
Paula Kensington
Phoebe Hao Yu
Ronnie Patton
Sharon Critchlow
Siobhan Pandya
Susan Allan

Profiles of all Council members can be found at <https://www.accaglobal.com/gb/en/member/council-elections/todays-council/meet-your-council.html>

Council demographics

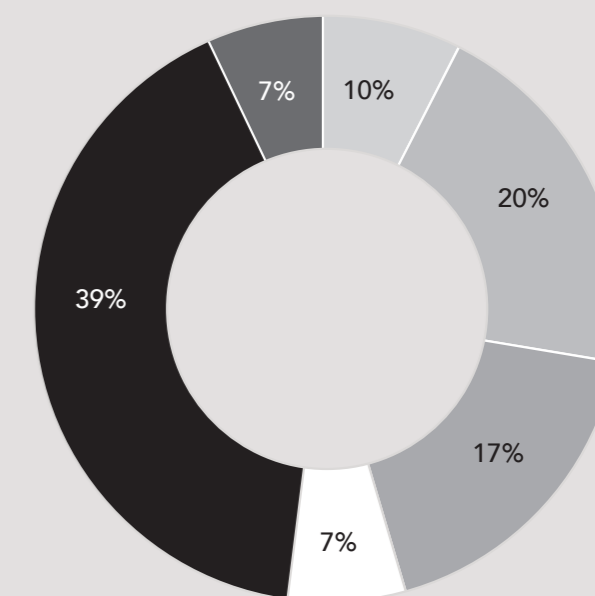
Council - gender

- Male
- Female



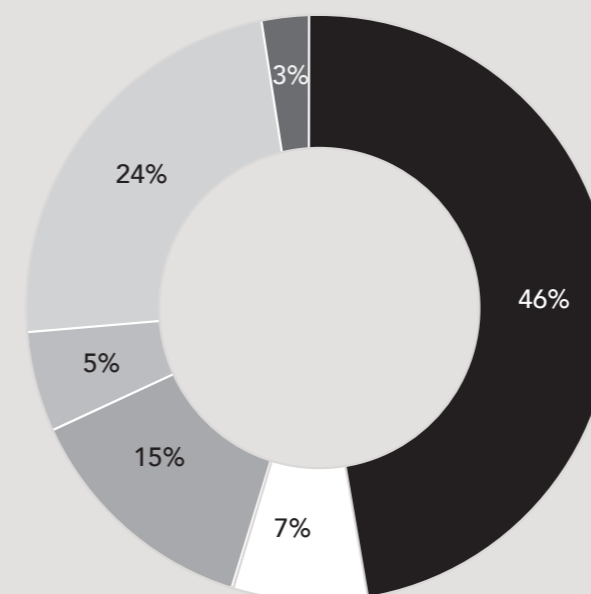
Council - region

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



Council - sector

- Corporate
- Education
- Financial services
- Health
- Practice
- Public sector



Council held five meetings during the reporting year.

Council Board – responsibilities and composition

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

- oversee the Executive team’s performance in delivering the five-year strategic outcomes set by Council
- oversee resource utilisation throughout the organisation
- approve annual targets (tracking performance against strategic outcomes)
- approve enabling strategies to deliver Council’s five-year strategy

- be accountable, and report, to Council regarding performance in delivering the five-year strategy
- oversee the work of the Audit and Remuneration Committees.

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



Chair (president), Mark Millar FCCA

Aged 18, Mark turned down a university place to join the NHS and study for the ACCA Qualification. After rising to Finance Director roles in the NHS, Mark moved on to Chief Executive roles at Milton Keynes University Hospital NHS Foundation Trust, Hinchingsbrooke Hospital NHS Trust, Hospitals, Hounslow and Richmond Community Heath services, and Southern Norfolk Primary Care Trust, as well as non-executive director of Royal Papworth Hospital NHS Foundation Trust. He continues to be involved in NHS advisory committees.

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

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



Deputy president, Orla Collins FCCA

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

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



Vice president, Joseph Owolabi FCCA

Joseph is CEO at Rubicola Consulting – a green finance advisory firm. His previous senior management roles are as director at Deloitte Asia Pacific, senior manager at PwC Australia, and leader of EY West Africa’s Climate Change and Sustainability Services. Before his election to Council in 2015, he was a member of ACCA’s International Assembly.

He has made significant contributions to the profession as a champion for the implementation of International Financial Reporting Standards (IFRS) across Africa, and pioneer advisor for the global adoption of non-financial reporting (sustainability and integrated reporting). He assisted in the issuance of the first Sovereign Green Bond from an emerging market.

Joseph holds a Master of Arts degree from the York St. John University and he has attended executive programmes at The Wharton School, University of Pennsylvania and Harvard Business School. He is also a Certified Internal Auditor.



Council member, Mohd Nasir Ahmad FCCA

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

He then joined SPK Berhad as CEO in 2000. From 2001-2011, he was CEO of Perbadanan Usahawan Nasional Berhad, the national entrepreneur development corporation.

He is currently Chairman of CIMB Group Holdings Berhad, CIMB Bank Berhad and CIMB Bank PLC (Cambodia). He also sits as Independent Director of SIRIM Berhad and Prokhas Sdn Bhd besides being a Trustee of Yayasan Canselor UNITEN and Perdana Leadership Foundation. On 1 May 2021, he was appointed Chairman of the Malaysian Accounting Standards Board and Member of the Financial Reporting Foundation.

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



Council member, Lorraine Holleway FCCA

After joining ACCA in 2001 and starting her career in finance with small manufacturing companies, Lorraine has spent most of her professional life in the oil and gas industry.

She has worked in various roles for Shell and is head of accounting policy based in the Netherlands. Lorraine previously worked as a group reporting business analyst and finance learning manager for Shell in the Netherlands and as financial controller for Qatar Shell in Qatar.

Lorraine chairs our Global Forum for Corporate Reporting.

She specialises in accounting policies, financial reporting and process improvement.



Council member, Marta Rejman FCCA

Marta is the Head of Shared Services Centre for Publicis Groupe. She is responsible for Finance, HR, Legal and IT services provided to CEE, Baltic and Nordic regions.

Marta has spent six years as the Director of the European Finance Centre, building the JLL Shared Services Operation for the EMEA region.

Before that, she has held positions of CFO and Deputy Director Finance and Administration at ING Lease both in Poland and Germany.

She served for six years on the board of the International Federation of Accountants (IFAC) and was also a member of its Audit Committee and Finance and Planning Committee.

Marta has a degree from Warsaw School of Economics and an MBA from the University of Calgary. She was a member of our first Poland committee in 2006 and has also been part of our International Assembly.



Non-Council member, Anand Aithal

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

He is currently a Non-Executive Board Member of the UK Cabinet Office and a non-executive director of Lifescale Ltd, a financial technology firm and BPL (Holdings) Limited, a specialty insurance broker.

Anand was previously a co-founder of Amba Investment Services, now Acuity Knowledge Partners, and a Managing Director at Goldman Sachs. He has lived and worked in the United Kingdom, Hong Kong, Singapore, India, Sri Lanka, Costa Rica and the United States. He holds a MA in Economics from Cambridge University.



Non-Council member, Daryl Fielding

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

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

Prior to this, she was Brand Marketing Director at Vodafone UK, Vice President, Marketing at Mondelez Europe and Commercial Director of Independent Newspapers. Her advertising agency career highlights were leading Dove's global "Campaign for Real Beauty" and New Labour's advertising in the 1997 Election.

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



Chief executive (ex officio), Helen Brand OBE

Helen has built her career within professional bodies and has considerable experience and knowledge of the 178 markets in which ACCA currently operates. She is a founding member of the International Integrated Reporting Council (IIRC) and now serves as a co-Vice-Chair of the IIRC Board. A member of the UK's government's Professional and Business Service Council, she was also appointed to the UK DIT's Trade Advisory Group on Professional Advisory Services in August 2020.

One of the few women to lead a global professional body, Helen is a regular media commentator on the role ethics and the delivery of public value play in business and society. In 2011, ACCA became the first international professional body to publish an integrated report on its performance and Helen remains a strong advocate for the power of wider corporate reporting. She has also driven ACCA's pioneering work in supporting the development of the profession across Asia, sub-Saharan Africa, Europe and the Middle East.

Helen holds a BA in Politics from the University of Exeter. She was awarded an OBE in the Queen's Birthday Honours list in June 2011 for services to accountancy and received an honorary doctorate from the University of Exeter in December 2017.

International Assembly

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

Executive team – responsibilities and composition

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

ACCA's Executive team are:

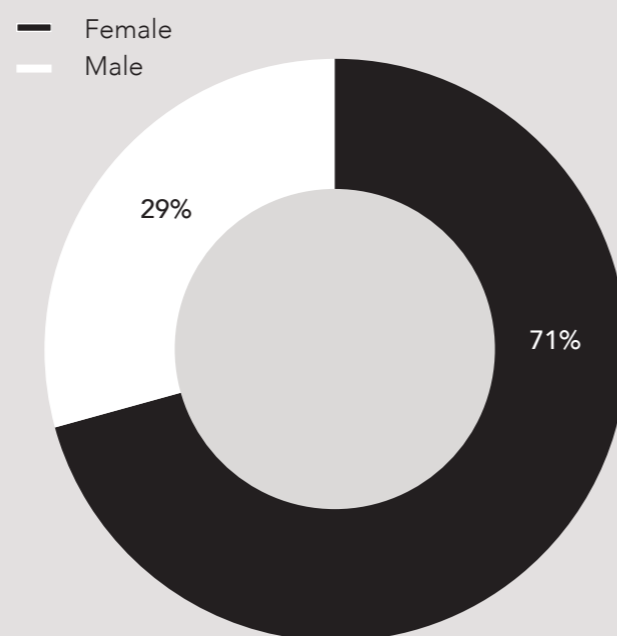
- Helen Brand, chief executive
- Alan Hatfield, executive director – strategy and development
- Julie Hotchkiss, executive director – people and transformation
- Raymond Jack, executive director – finance and operations
- Maggie McGhee, executive director – governance
- Lucia Real Martin, executive director – markets
- Leong Soo Yee, executive director – markets

Having served as lead market directors for the performance year 2019-20, Lucia and Soo Yee were appointed as permanent members of the Executive team on 1 April 2020.

Following organisational changes announced in March 2021, Alan becomes executive director – content, quality and innovation, and Maggie becomes executive director – strategy and governance, with effect from 1 April 2021, reflecting changes to their portfolios.

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

Executive team demographics



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

Executive team reward plan

On an annual basis, the Remuneration Committee uses the corporate strategic measures and targets agreed by the Council Board to determine the reward plan for the Executive team 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 the Council Board believes require the greatest focus at a particular point in time.

Under the reward plan, members of the Executive team are eligible to receive a maximum payment of 25% of base salary per annum of which 20% is assessed against ACCA performance over the financial year and the remaining 5% is determined by personal performance. The Remuneration Committee determines the level of award up to 20% achieved against ACCA targets for all executive directors alongside the level of award against personal targets for the chief executive. In turn, the chief

executive determines how much of the 5% personal performance award is allocated to each of the executive directors. The chief executive is not present when her remuneration is discussed.

This is a fair, transparent reward solution 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 audit 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.

Executive team remuneration

The total salary (including bonuses and allowances paid) and benefits of the chief executive for the year ended 31 March 2021 was £394,074 (£417,424 for the year ended 31 March 2020). This includes a fixed non-pensionable allowance in lieu of pension benefits, introduced in August 2013 when the chief executive agreed to vary her contract of employment following the closure of the defined benefit pension scheme and an additional allowance in lieu of pension contributions.

In March 2020, in light of the economic environment and uncertainty created by the Covid-19 outbreak, the chief executive recommended to the Remuneration Committee that the Executive team would forgo any performance-related remuneration in respect of 2019-20 performance and their salaries would be frozen for the 2020-21 financial year. The Committee approved these proposals.

The base salaries of the chief executive and executive directors at 31 March 2021 are shown below on a banded basis:

	Number of employees (2020-21)	Number of employees (2019-20)
£310,000 – £349,999	1	1
£230,000 – £269,999	1	1
£190,000 – £229,999	5	5

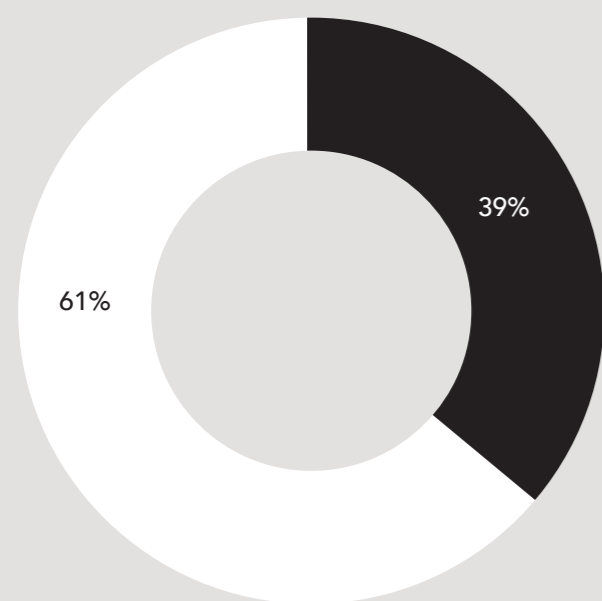
People

ACCA relies on a diverse global workforce in order to deliver its strategy. At 31 March 2021, ACCA counted 1,404 full-time equivalent employees.

Employee gender diversity Overall

Employees - gender

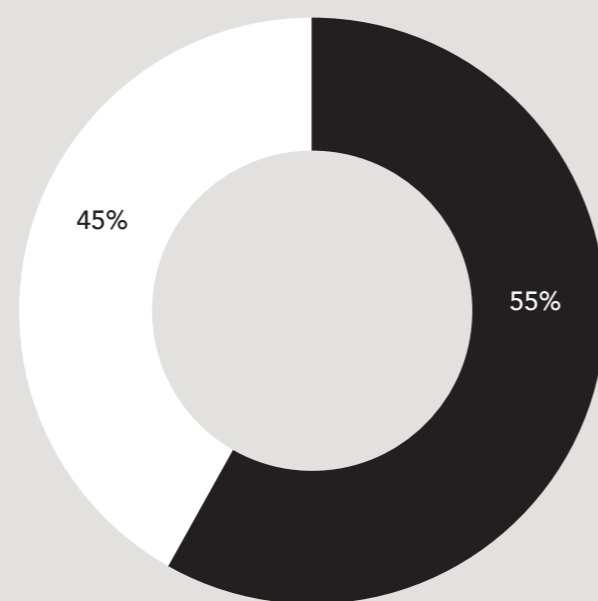
— Male
— Female



Leadership*

Leadership group - gender

— Male
— Female



* Executive team and their direct reports

Employee engagement index

This year, we've introduced a new, simpler and more tailored survey tool, administered by Glint, to track employee engagement. We survey ACCA's global workforce twice a year to measure engagement, assess how we're doing on our culture change journey and identify challenges and issues we need to address.

April 2020

74%

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

October 2020

74%

of employees said they were happy working at ACCA and would recommend ACCA as a great place to work (based on 79% response rate)

In both our April 2020 and October 2020 surveys, our overall engagement score met the external global benchmark of 74%:

We performed well in terms of our teams understanding ACCA's strategy and how they contribute to ACCA's success. Ratings for 'My Manager' and 'My Team' were also highlights, with working relationships and teamwork coming through as real positives.

Things identified that we need to work on are helping people feel empowered, supporting people with personal growth, and continuing to support and communicate transparently through times of change and uncertainty. We have organisational and team action plans to address these focus areas and drive continuous improvement in our employee experience.

Organisational changes in 2020-21

Over the past year, we've undertaken an extensive review looking at changes we need to make to best serve our members and future members as we look ahead. A key driver of this review has been increasing our effectiveness and agility in these times of uncertainty and disruption.

To enable this, we announced some organisational changes in March 2021 designed to increase our future ability to create maximum value for our members, future members and the wider community. The key changes proposed are:

Centre of excellence for insights and analytics

In conjunction with the change to Executive director portfolios, we will establish a centre of excellence for insights and analytics, which will bring together the work that informs strategic decision-making and strategic performance, and sit within the strategy team.

Governance

We will make changes within Governance to streamline the leadership structure and bring specialisms together.

Reviewing spans and layers

We have started to review spans and layers of control across ACCA to make a shift towards a flatter organisation structure and broader roles. This has informed proposed changes across a number of directorates to improve decision-making, consolidate activities and enrich opportunities, and drive efficiency and agility.

Support teams

We have reviewed our support teams – specifically HR – to bring these in line with external benchmarks as new digital capabilities come online.

Customer service

We have reviewed our customer service structure to ensure that we're serving our customers in the most effective way.

A model and structure for Market teams

We have developed a model and structure for our Markets teams, refining spans and layers, removing the potential for duplication, driving consistency of roles across markets, and bringing together market clusters to facilitate greater cross-border working and deliver maximum effectiveness.

These changes have resulted in a total net reduction of 48 roles globally. We have also closed 58 vacancies across ACCA, which will not be filled.

UK gender and ethnicity pay gap reporting

This year we committed to publishing both our UK gender and – for the first time – our UK ethnicity pay gaps. A detailed combined report includes the results of our gender and ethnicity pay gap analysis, as well as a full narrative describing the actions we have already taken, and those we intend to take going forward, to continue to improve our pay differentials.

<https://www.accaglobal.com/uk/en/about-us/annual-reports.html>

During the year – and to support this work – we had a particular focus on diversity and inclusion, establishing three employee groups dedicated to Wellbeing, Ethnicity and LGBTQIA+, and creating a formal inclusion and diversity steering group.

Modern Slavery Act commitment

We are committed to acting ethically and with integrity in all our business dealings and relationships.

We act on this commitment by implementing and enforcing effective systems and controls to ensure that modern slavery is not taking place in our organisation or in any of our supply chains.

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

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

Our three areas of critical strategic focus for 2021-22 are set out below:

- **Member support:** we want every member to value and retain their relationship with ACCA. In 2021-22, we will support their careers and employability, and give them access to relevant information and upskilling opportunities so they can contribute to a sustainable global recovery.
- **Student progression:** we want every student to value and progress their journey with ACCA. In 2021-22, we'll give our students all the support they need to confidently enter and pass their exams. To enable this, we'll run exams in as many markets as possible, bolstering capacity through online exams with remote supervision.
- **A sustainable organisation:** in 2021-22, we will keep innovating to meet the needs of our customers and investing in our future. Transforming how we operate will strengthen our flexibility and financial resilience, delivering organisational efficiencies. This will free us up to create maximum impact and seize new opportunities as we deliver the strategy to 2025.

We have agreed the following targets against these areas of focus:

Critical strategic focus measure	2020-21 result	2021-22 target
Member retention	97%	97%
<i>Inclusion:</i> % agree that ACCA acts with members' and future members' best interests at heart	67.4%	70%
Financial sustainability	£20.3m surplus before tax	£1.8m surplus before tax
Future member retention	83.8%	83.8%
<i>Progression:</i> % of students passing an exam in the year	29.3%	31.6%

We look forward to delivering on all of this – on behalf of all our stakeholders, but especially our members and future members – over the next 12 months.

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Think Ahead