The *time* is right
There has never been a better time to be a Chartered Management Accountant.

Management accountants are trusted to guide critical business decisions and create sustainable business success.

With the economic turmoil of the last few years transforming the business landscape, the relevance of CIMA continues to grow dramatically. An ambitious institute with links to the world’s best companies, CIMA is a standard-bearer for a profession whose value is becoming ever more evident.

Research into the evolving needs of businesses is core to CIMA’s innovation and proposition, and drives towards CIMA’s mission of ‘helping people and businesses to succeed’.

CIMA is the world’s leading professional body of management accountants with more than 195,000 members and students in 176 countries.

The time is right … to help people and businesses to succeed to elevate the profession to look beyond the financials for integrated reporting
Highlights

• 4.6% member growth
• 98.8% member retention
• 77% members satisfied with CIMA as a membership body
• 5.2% ahead of student acquisition target; 26,494 students joined CIMA
• Joint Venture with American Institute of Certified Public Accountants approved
• Russia, Poland, Nigeria, Bangladesh, Pakistan – new offices opened

Member population

87,316

Student population

106,612
President’s message

A profession prized globally in both good and lean times

President Harold Baird explains CIMA’s role in the new business landscape
These are exciting times for everyone involved in CIMA on its journey to become a principal player in global accounting.

The global financial crisis has taught us many, often overdue, lessons. One of the most important is the need for financial expertise and business acumen in guiding corporate decision-making and driving sustainable business success. These are the competencies of management accountants and are crucial to helping organisations navigate a way through the current global economic turmoil.

The time is right to help people and businesses to succeed

In light of the lessons from the economic crisis, during the year, CIMA took the opportunity to evolve a new mission statement to reflect the role of CIMA – ‘Helping people and businesses to succeed’. It encompasses CIMA’s ambition, as a chartered body with a public interest remit, to transform not only the sustainable success of organisations, but the lives of individuals.

CIMA aims to change lives by equipping more people with the knowledge and competencies to build successful careers, which in turn creates people who are able to drive more sustainable and successful businesses in both the private and public sectors.

This year we have taken significant positive steps, with a number of initiatives, towards achieving this mission and meeting the challenges of these times.

The time is right to elevate the profession

One moment stands out in 2011, when our profession was redefined on a worldwide stage. In May we officially agreed a joint venture with the American Institute of Certified Public Accountants (AICPA). This was ratified later in the year and in January 2012 the new Chartered Global Management Accountant (CGMA) designation was launched. This venture brings together two of the world’s most prestigious accounting bodies, which together represent over 500,000 professional accountants, with more than half of these working in business.

This unique alliance will enable us to elevate the profession of management accountancy and aims to establish the CGMA, to which all CIMA members are entitled, as the most valued, globally-recognised management accounting designation. Council rightly believes that the Joint Venture is a ‘game-changing’ opportunity.

Transformational growth has been the strategic goal of CIMA in recent years. I am delighted to say that we are now achieving this in terms of student numbers. Even more important, we are achieving it in terms of the value members receive both from CIMA as an organisation and from their FCMA and ACMA professional designations, now backed by global promotion of the CGMA designation. For members this spells membership of an institute with a growing reputation and brand, plus ever greater employability and career prospects.

The time is right to look beyond the financials

Management accountants’ approach to business considers the long term and is a powerful counterforce to the short-termism which seems to have gained sway in so many sectors. At CIMA we have a dialogue with businesses so that we can learn what excellent companies do to ensure that their success is truly sustainable, and adapt our qualifications accordingly.

Innovation is central to CIMA. Underpinning our business activities and our important public interest remit, it is a key tool for developing our qualification to meet the evolving needs of the world, leveraging interest in our work and raising the profile of management accounting.

In 2011 we launched a market driven programme for our innovative thinking, delivering a range of publications, partnerships and events around topics such as the future of management accounting and ethics, which to us are key. Among our main outputs were a series of lectures co-hosted by the think tank Tomorrow’s Company, a high-profile research project with the Institute for Government around public sector performance, and the CIMA World Conference last October in South Africa.

The proof of the value of the CIMA qualification is evident through CIMA’s 2011 employer survey, which found that employers felt their business needed more management accountants (72%) rather than financial accountants (3%).

The time is right for integrated reporting

Underlining our commitment to sustainability and our understanding of the importance of this more balanced approach, this Annual Review represents CIMA’s first steps towards integrated reporting. This embodies an approach which goes beyond the financials, to bring together the company’s strategy, governance, performance and prospects in a way that reflects the commercial, social and environmental context within which we operate. We support the International Integrated Reporting Council’s (IIRC) drive to establish a global framework for integrated reporting, which has been a natural development from our work with The Prince’s Accounting for Sustainability (A4S) Project.

CIMA is proud to be one of some 60 organisations piloting the new approach for the IIRC over the next two years.

Other developments in the year

Our success relies on targeting resources where they count. For some time CIMA has been weighing up the value of remaining a member of the UK’s Consultative Committee of Accountancy Bodies (CCAB) of which we have been a member since 1974. In March 2011 we gave formal notice that we were leaving the body.

Unlike CIMA, the majority of the CCAB bodies have a strong focus on audit and we came to the view that we were resourcing the auditing side of the profession. In particular, we felt that the CCAB formula for meeting the UK’s Financial Reporting Council’s annual fee meant that CIMA was paying a disproportionate amount given the limited return for management accountants. We spoke to central government, and others, and they have all agreed in future to use the expression “CIMA or CCAB qualified”, or variants of it, when placing job advertisements, to ensure that CIMA members are not disadvantaged.


Two new CIMA nominees joined IFAC committees in January 2012. These were Hugh Evans (UK), on the Professional Accountants in Business Committee (PAIB), and Devika Mohotti (Australia) on the Professional Accountancy Organisation Development Committee (PAODC). Brian Walsh (UK) was also appointed Deputy Chairman of the International Ethics Standards Board for Accountants (IESBA) from 2012. Nina Barakzai concluded her three-year IESBA tenure having made a significant contribution. CIMA will continue to provide support for its members serving with IFAC.

As a final note, I thank my fellow honorary officers, members of Council, the Chief Executive and senior management team together with all CIMA staff across the world, and our new partners in the United States. There is a human dimension behind CIMA’s success which makes it a privilege and an honour to serve as President.

Harold Baird, FCMA, CGMA
CIMA President
2011 saw the development of a new mission statement: ‘Helping people and businesses to succeed’.

The human dimension is crucial in organisations: no business can prosper without the right people. Our recent report *Rebooting Business: Valuing the human dimension* surveyed 280 chief executives worldwide and showed that they believe people’s ideas, skills, knowledge and relationships are part of the unique value of their companies.

CIMA equips people with the knowledge and skills they need to build successful careers, to contribute to their organisations and drive economic development. From our close relationships with many of the world’s top organisations, we have built a deep understanding of the needs of business – and of what is lacking globally in terms of skills, capabilities and experience.

We do not simply encourage young people around the world to think about management accounting as a career, we also offer academic and professional qualifications, exam support and training. In this way, CIMA prepares students for professional life, helps them gain access to new opportunities and develops the thinking and technical capabilities required to compete in the global marketplace.

Education, of course, needs to continue long after students have qualified. With this in mind, we help our students to become CIMA members and offer them a range of Continuing Professional Development (CPD) services, including leading-edge research, tools and techniques.

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Case study
50% increased productivity, 50% reduced financing costs

South African company Freshworld procures, exports and markets fresh produce worldwide. It provides fair and sustainable returns to growers in its home country, but was facing mounting financing costs as the company grew.

Pieter le Roux, Group Financial Manager, recognised that the finance team and its systems were not sufficiently coping with increasing volumes. The company needed to choose between increasing headcount on its finance team, or enhancing productivity and processes.

Le Roux identified two key projects: improving productivity by developing more effective, streamlined systems and processes, and maximising debtors and cashflow management to reduce financing costs.

As a CIMA Training Partner, Freshworld utilised the expertise of the company’s CIMA trainees and they played a pivotal role in the finance function’s evolution, says le Roux, automating manual processes and integrating them into existing systems. “We increased the efficiency of already-automated systems by simplifying processes and reducing the number of manual interventions. The final part of these developments was to integrate the different operational systems with the financial accounting system, and integrate both systems with our management reporting system.”

The finance function has increased its productivity by over 50%, maintaining the enhanced systems with the same headcount, despite a growing business. By focusing on its debtor and cashflow management, Freshworld also reduced its financing costs by more than 50%.

“We believe that, with our partnership with CIMA, we will not only be able to grow future leaders for the companies in our group, but we will also be able to provide the tools that our CIMA trainees require to become qualified and highly skilled management accountants.”

Pieter le Roux, Group Financial Manager, Freshworld

CIMA across the world

CIMA’s value is particularly felt in developing countries and emerging markets, where professional skills and expertise can have a dramatic impact on people’s lives. In developing countries, CIMA is an enabler of social and economic development. Through the CIMA qualification and training, young professionals can become key accounting service providers, boosting their employment and income potential and contributing to their community and local economy.

CIMA has opened new offices in Russia, Poland, Nigeria, Bangladesh and Pakistan, as part of our effort to expand our global reach and get closer to our customers.

In addition, throughout the world, we continue our collaboration with public and private universities, offering students the opportunity to study CIMA while pursuing their undergraduate studies.

“Our future talent base has to more naturally map to our future customer and relationship base and where our business is going to be.”

Simon Henry, FCMA, CGMA
Chief Financial Officer, Royal Dutch Shell

From Rebooting Business: Valuing the human dimension

The **time is right to elevate the profession**

*CIMA’s Joint Venture with the American Institute of Certified Public Accountants will elevate the profession and provide lasting benefits to members and businesses*

We believe that this ground-breaking Joint Venture provides a tremendous opportunity to the accounting profession. Through this venture we are advancing the profession of management accounting and dramatically expanding the reach of the respective organisations and audiences. Our aim is for Chartered Global Management Accountant (CGMA) to be the most valued, globally-recognised management accountant designation bringing together two of the world’s largest and most prestigious accounting bodies to form the world’s most powerful voice for accountants working in business.

There has never been a better time to be a management accountant. We operate in an increasingly global environment, where change is the only constant. Our increasingly complex business environment has elevated the need for strong strategic partners who drive sustainable success. Management accountants are these partners. Management accountants can be trusted to provide an objective view of performance and strategic alternatives, thereby guiding critical business decisions.

The designation raises the profile of management accounting in the United States and promotes it around the world. It combines the strength of the AICPA in North America with CIMA’s presence in Europe, Middle East, Africa, Asia and elsewhere. We have designed the Joint Venture to build on the success, brands and reputations of both CIMA and AICPA, while extending their reach into uncharted markets. The Joint Venture teams have also created a powerful proposition behind the CGMA designation that is attractive to CIMA and AICPA members in business and, of course, to business organisations themselves.

**Launching the CGMA**

On 31 January 2012, a transatlantic business forum was held simultaneously in New York and London to launch the new designation. The findings of the first piece of joint research by the joint venture – ‘Rebooting Business: Valuing the human dimension’ demonstrate that the human dimension – relationships with customers, employees, partners and communities – will be key to getting things moving again and sustaining success over the long run. These critical issues facing organisations today were debated via satellite by leading CEOs and CFOs from American Express, HSBC, Rolls-Royce, Xerox Corporation in panel discussions, chaired in London by BBC presenter Kirsty Wark and in New York by Bloomberg presenter, Kathleen Hays.

Following the launch of the new designation, we are encouraging CIMA members to use the CGMA letters alongside their FCMA or ACMA letters.

The CGMA designation will create a new, worldwide network of management accounting professionals working in leading corporations, public and private organisations, medium and small businesses and start-ups. It will connect like-minded peers, enabling them to share best practice. And it will help accounting professionals develop broader skills, greater agility and adaptability, increased mobility and leadership potential. We have also developed specific CGMA resources, such as webcasts, courses, publications, reports and research, to help challenge CGMA’s thinking and keep them at the forefront of their profession.

Find out more about the launch of the CGMA and watch the webcast of the event @ www.cgma.org
An example of this is the recent publication of a paper defining the profession, accompanied by a short summary document entitled ‘How management accounting drives sustainable success’. Among the links it establishes is the natural alignment between the work of management accountants in companies and the needs of their boards. This work will become core to elevating the profession around the world.

Preparing the ground for alliance
Throughout the year, we worked hard to ensure the right operational, cultural and strategic processes were in place to make the Joint Venture a success. To mitigate the risk of non-integration between the US and CIMA teams, we are preparing employees for the cultural challenges involved in a project of this nature. Through pulse surveys and training sessions, for example, we are measuring and raising cultural awareness and familiarising CIMA employees with the working practices of our AICPA colleagues. In particular, we have concentrated on communications issues to help create trust and understanding between our two organisations.

“I think people increasingly realise that planning properly for the long term is a better way to build shareholder value than reacting to the kind of short-term movements we are seeing. At Unilever we don’t take decisions based on 90 day cycles. We act in the long term interests of the company. That’s why we have been around for over a hundred years. And we plan to be around for hundreds more. ...I think many more people understand that if you plan your business for the long term, then that’s also good for the shareholder.”

Paul Polman, Chief Executive Officer, Unilever

From Rebooting Business: Valuing the human dimension

Download ‘How management accounting drives sustainable success’ @ www.cimaglobal.com/whatisma
Management accountants are trusted to guide critical business decisions and drive strong business performance. They combine financial expertise and business acumen and understand how and why different parts of a business need to come together. Through strong financial and business leadership, they help individuals and organisations create sustainable success.

Critically, management accountants take a broad and holistic view of business, looking beyond financial projections, margins and profit and loss. In this way, they are well positioned to help companies take account of the wider context in which they operate and manage their impacts on the economy, society and the environment.

CIMA qualified management accountants are committed to professional ethics and a Code of Conduct. A single syllabus and examination standard ensure the consistency of the CIMA qualification the world over, and we are constantly working to keep this syllabus and standard relevant and up-to-date.

While some management accountants work in finance departments, many put their broader business training to use, often culminating in board roles including chairman and chief executive.

Guiding board level decisions in the future
The most recent financial crisis was in part triggered by shortcomings in corporate governance. Companies that looked healthy turned out to be relying on business models that were fatally flawed. Responsibility for ensuring that profitability could be sustained over the years lay with the boards of the companies in question. But these boards failed to recognise that long-term stability had been sacrificed for short-term profit. Had boards demanded management information that provided a clearer picture, they would have understood that their companies were making money in a way that was not sustainable.

Management accountants and boards have closely aligned aims, meaning that management accountants are exceptionally well placed to support board decisions. Boards are responsible for leading the long-term sustainable success of a company or organisation; management accountants link boards’ objectives and the business, enabling the right decisions to be made and appropriately funded and correctly implemented.

Supported by CIMA, management accountants provide innovation on a range of issues, including economics, business sustainability, ethics and corporate reporting.

Management accounting adds value to traditional financial accounting. It concerns itself with evidence, solutions and best practice, in contrast to the standards and regulations that are the financial accountant’s framework. In general, management accounting is forward-looking and dynamic.

The Management Accounting graphic on page 9 explains these differences in greater detail.

CIMA in action
All over the world, CIMA members use management accounting research, tools and techniques to inform business decisions and create sustainable success. They also benefit from the range of innovation publications, tools, partnerships and events delivered by CIMA on a regular basis.
“Well, we have to move beyond the financials. We have to move beyond the numbers and become true business partners. Therefore, we have to understand our business. We must understand where the business is creating value, where it is destroying value and recommend value added options to improve.”

James Singh, FCMA, CGMA
Executive Vice President and Chief Financial Officer, Nestlé

From Rebooting Business: Valuing the human dimension

Case study
£65m spend on innovative green technologies

Volatility in the energy market coupled with ambitious sustainability targets were the key drivers behind a £65m investment in an environmentally-focused approach to plant and processing at Diageo’s Cameronbridge distillery in Fife, UK.

With an annual energy bill of £5m and a distillery requiring 1.8 billion litres of water a year and producing 90,000 tonnes per year of spent grain, Diageo wanted a more sustainable model.

Diageo executives assembled a cross-disciplinary team, including CIMA finance professionals, senior managers, engineers and process chemists, to work on the project. In the end it was the most ambitious scenario which was signed off and approved for commissioning by the Board – a huge vote of confidence in the planning and financial modelling behind the project.

As a result the drinks maker is building a waste water treatment plant, a biomass boiler and steam and electrical generation plant for the Cameronbridge distillery. The aim is to source 31% of its water and 85% of its power from this plant. It also hopes to remove virtually all effluent discharge to the Firth of Forth.

Diageo CEO, Paul Walsh, FCMA, CGMA, says the new approach is a model of how business analysis can be deployed to arrive at sustainable processes that meet high environment and social standards. ‘It demonstrates the need for holistic management; you cannot just look at the P&L, you cannot just look at your margins, you have got to have a far broader view of life.’

‘What I like is that it is not just about cost; it is not just about increasing capacity. It is about having a broader view of the world, whereby CIMA members can no longer just look at the hard financial numbers, you have to take a view on what consumers will require from large companies regarding their environmental attitude. You do not make these investments solely on financial projections.’
Current challenges, such as the depletion of global resources, rapid population growth and environmental degradation, are forcing companies to make fundamental adjustments to their business models and practices. Increasingly, they are taking account of social and environmental impacts rather than a narrow focus on backward-looking financial data.

**The IIRC and CIMA**

The International Integrated Reporting Council (IIRC) aims to create a globally-accepted integrated reporting framework. Charles Tilley, CIMA’s Chief Executive, sits on the IIRC’s governing council and CIMA has made a long-term commitment to support the organisation’s work. In 2011, we submitted our formal response to the IIRC’s Integrated Reporting Discussion Paper and wrote research papers on sustainability issues.

CIMA is proud to be one of some 60 organisations piloting the new approach for the IIRC over the next two years.

We believe traditional reporting has been outstripped by changes in business and the wider world whereas integrated reporting can aid an organisation’s sustainable success.

This Annual Review is a first step for CIMA towards producing a fully integrated corporate report for the fiscal year 2013. It begins to bring together financial and non-financial information and demonstrates the links between our business model, governance and financial performance and the social, environmental and economic context in which we operate.
Our reporting journey
While this report is a milestone on our integrated reporting journey, we still have a long way to go. In particular, we have to improve both our environmental performance and the methods we use to record our data regarding our environmental impact. Through the European Foundation for Quality Management (EFQM) framework, we have set ourselves targets relating to society and the environment. But as described in detail on pages 26-27, we need to raise our game to meet these targets fully.

As we develop our integrated reporting capabilities, our aim is to report our environmental performance alongside our financial bottom line.

“There should be great clarity in terms of what all the stakeholders want to understand about a business that’s relevant to them. So they should understand how it conducts its business, where it conducts its business, how it makes its money, what the financial obligations and assets of the business are. I think transparency goes too far when it gives away information that would be competitively disadvantageous... But giving a clear line of sight into how an organisation has conducted its stewardship of the capital it has been given, how it has conducted its business – I think is very important. Indeed, anything that helps society understand the role of business, I think is very valuable.”

Douglas J Flint CBE, FCMA, CGMA
Group Chairman, HSBC Holdings plc

From Rebooting Business: Valuing the human dimension
Time to make the connection

Chief Executive Charles Tilley looks back at 2011 and discusses the business, the successes and the strategic priorities for the future.
Our landmark achievement of 2011 was signing the Joint Venture agreement with the American Institute of Certified Public Accountants (AICPA). The Joint Venture establishes the Chartered Global Management Accountant (CGMA) designation and will elevate the profession of management accounting around the world. It entrenches our geographic position, raises our profile and gives us a truly global market access. And through the CGMA we will build an international community of like-minded professional management accountants, sharing their experiences, unified by best practice and a single Code of Ethics.

CIMA has also grown its member and student population. In the present economic climate this is a great achievement and a key indicator of success.

CIMA needs to be a market-driven organisation. We have strengthened CIMA’s regional structure, to bring us closer to our members and stakeholders by equipping our offices around the world with the tools, talent and capabilities required to meet local needs. We are also reshaping our Corporate Centre to be a strategic partner to our global regions and market offices. The aim is to ensure CIMA is leaner, fitter and more agile across the world.

CIMA’s role in a changing world

Throughout 2011 the global economic situation continued to highlight the importance of professionalism and integrity in boardrooms and business generally. It has reinforced our conviction that quality information is essential for high-level decision-making in the public and private sectors. Indeed, its absence has been largely to blame for much of the trouble we have seen in developed economies in recent years.

I believe that it is management accountants who are best placed to guide companies through the present crisis and help achieve long-term business success.

Operating at the heart of organisations, management accountants act as financial navigators; they map the journey ahead and ensure a business is being steered in the right direction. Since 1919, when Lord Leverhulme helped found CIMA to ensure his colleagues could provide him with the information he needed, CIMA-qualified management accountants have been fulfilling this vital role.

But today the stakes are higher than ever before, and management accountants need to help businesses take account of a whole new range of issues. With the net asset value of many companies representing less than 20% of their full worth, it is clear that the value and cash flow of modern businesses increasingly revolve around their brand and people.

In other words the non-financials are as important as the financials. And people, their skills and relationships, are paramount. This has been underlined by the theme of human value which has emerged strongly in our innovation work.

The need to start understanding non-financial information better is also a reason why CIMA is an ideal participant in the International Integrated Reporting Council’s (IIRC) integrated reporting pilot programme. The methods of measurement and data capture necessary for integrated reporting – which involves marrying different strands of information – are similar to the integrative methods and thinking employed by management accountants.

I am confident that our IIRC work will show the way forward for many other organisations.

Internal changes and performance

In 2011, we made several changes at senior management level. The appointment of Andrew Harding to the new role of Managing Director, reporting to the Chief Executive, has given him responsibility for operational activities. On top of this, we streamlined the reporting lines of our global market offices through five regional directors.

Through our use of the European Foundation for Quality Management (EFQM) Excellence Model, we drive internal performance in a systematic way. CIMA is on a path to business excellence; so far within the EFQM framework we have been recognised for excellence at the 5 star level, (rising from 4 stars in 2009). We have set ourselves challenging targets in this area and continue to drive improvement in several parts of the business.

Outlook

Looking ahead, we will strive to keep CIMA and management accounting relevant to the world in which we operate. We will also increase our support to our students through their exams and progress them to membership. While our member retention percentages are strong, at 98.8% for 2011, a number of our students fail to finish their exams. Through a retention initiative (discussed further on page 20) we are targeting individual students and will be developing customised communications for them.

This is an immensely exciting time for CIMA and the management accounting profession. I look forward to working with my colleagues, employers, CIMA members and students to meet the challenges and grasp the opportunities that lie ahead.

Charles Tilley, FCMA, CGMA
CIMA Chief Executive
CIMA Value Chain: introduction

The CIMA Value Chain is our sustainable model which outlines the basis of how CIMA generates and preserves value over the long term and enables us to achieve our overall goal of increasing membership growth.

CIMA’s operations are organised around the Value Chain and setting our activities within this framework is a step towards integrated reporting. We have identified key resources and actions which will enable us to drive progress. This progress will be monitored across the Value Chain through our key performance indicators.

Reputation building supports all elements of our Value Chain, raising the profile of management accountancy as a driver of long-term organisational success.
<table>
<thead>
<tr>
<th>Element</th>
<th>Aim</th>
<th>Targets to measure our progress in 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquire</td>
<td>We aim to attract new students laying the all-important foundation for future members</td>
<td>Student acquisition 29,000</td>
</tr>
<tr>
<td>Deepen</td>
<td>We aim to deepen our relationship with our students by providing support, and earning their loyalty by demonstrating the value of membership</td>
<td>Progress students to membership 5,150</td>
</tr>
<tr>
<td>Retain</td>
<td>We aim to retain members over the long term, by engaging members in a lifelong learning relationship with CIMA, supporting and future-proofing their career</td>
<td>Member retention 98.7%</td>
</tr>
<tr>
<td>Fulfil</td>
<td>We aim to meet all of our members needs and give pride to our members, staff and other stakeholders, resulting in passionate advocacy for CIMA and its qualification</td>
<td>Member satisfaction 79%  Voluntary retention of employees 86%</td>
</tr>
</tbody>
</table>
A key component of CIMA’s reputation building is our innovation activity and our excellence in industry research and publications. Innovative thinking is embedded across the CIMA business and underpins our public interest remit. It is part of our conversation with businesses, regulators, governments, academic institutions and other stakeholders; it also raises the profile of management accounting as a driver of long-term organisational success.

Innovation partnerships
CIMA has formed a partnership with the think-tank Tomorrow’s Company to publish three high-profile reports on leadership, reporting and governance during the year. We also collaborated to deliver the Tomorrow’s Values lecture series, which brought together senior figures from the global business world to explore the meaning of value. The lecture series included an event in Mumbai which was attended by business leaders from across India and focused on creating tomorrow’s agenda for sustainable business.

We developed research projects with corporate partners and published co-branded material with companies including Accenture, KPMG and Tata. One example is a report published in conjunction with Accenture, Sustainability Performance Management: how CFOs can unlock value, which examines the ways in which CFOs can contribute significantly to sustainability performance management and its implementation within a business. Other partnerships include an ongoing relationship with the Institute for Government to improve performance management in the public sector, and a report on governance reporting published jointly with the Report Leadership Group. These activities reinforced CIMA’s leadership role in exploring how companies define and measure long-term business success, and reasserted our belief that valuations of business performance need to extend beyond the financial balance sheet.

Reputation building supports all elements of the Value Chain.

KPI targets for 2012

- Web metrics on key innovation outputs will be the main KPI for Reputation and Research in 2012. This measure will be tracked more aggressively throughout the year.
- In 2012, CIMA’s innovation activity will continue to include research funding, public affairs, advocacy activity and partnership activity with external organisations such as Tomorrow’s Company.
- More qualitative measures will be introduced to assess the impact of our innovation outputs and they will be based on a matrix currently being developed.

Creates Sustainable Success, we set out to communicate clearly the importance of the management accounting profession in the increasingly complex business environment we operate in.

Find out more @ www.cgma.org/resources
Find out more @ www.cimaglobal.com

CIMA Value Chain:

Reputation and Research

CIMA Annual Review 2011
CIMA Code of Ethics
CIMA is committed to upholding the highest ethical and professional standards and to maintaining public confidence in management accounting. The CIMA Code of Ethics, based on the IFAC Code of Ethics, is made up of five fundamental principles: integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. CIMA members and students are required to comply with the CIMA Code of Ethics and to adopt the fundamental principles into their working lives. Good ethical behaviour may be above that required by the law.

Promotion of ethical standards
Through the promotion of the Code and its principles we help members and students pursue their business interests in a way that is both commercially viable and ethically sound. In 2011 CIMA has introduced case studies, videos and online support materials to bring the Code to life.

Throughout the year the CIMA Ethics hotline took 129 calls from individuals regarding ethical business issues. Free access to the legal help line was extended to more members in the UK needing advice and after a review of our UK based whistle-blowing line we extended a ‘speak up’ support line to members globally in early 2012.

Case study
Success through corporate sustainability, India, 2011
Tata, India’s largest business group, invited CIMA to stage a forum for top executives to ‘co-create’ a sustainability toolkit for use around the business.

Delegates from Tata and beyond attended ‘Success through corporate sustainability – strategy, leadership and reporting’, a pioneering two-day event in Mumbai in November. Keynote addresses by R. Gopalakrishnan, Director, Tata Sons Ltd, and Kishor Chaukar, Managing Director, Tata Industries Ltd, stressed the vital need for companies to look beyond objectives such as short-term profits and revenues, focusing instead on the wider purpose of business.

The event, featured on CNBC TV’s ‘Indian Business Hour’, saw the Tomorrow’s Value leadership programme, run jointly by CIMA and Tomorrow’s Company, coming to India for the first time.

CIMA Chief Executive, Charles Tilley shared the latest thinking on leadership and the new agenda on integrated reporting which takes environmental and other impacts into account. He explained: “There is a new urgency for businesses to define and measure long-term business success. The way we value corporate entities has changed dramatically in recent times. Today, most of the valuations on market indices are off-balance sheet. In other words, they are not measured.”

Tata is a leading global advocate of corporate sustainability having established the TCCI in 1994 to bring together good practices within the Tata group in the sphere of corporate sustainability. Phillie Karkaria, FCMA, CGMA Executive Director, Tata Realty and Infrastructure, said at the event, “For Tata sustainability is part of the genes. It is ingrained in most of the leaders of Tata companies. It is up to corporates to make sure that the people who suffer the most are actually taken care of.”

More information on ethics is available @
www.cimaglobal.com/professional-ethics/ethics
The Acquire element of the Value Chain focuses on attracting new students and lays the all-important foundation for prospective CIMA members.

Our initiatives throughout 2011 in support of the acquisition element of the value chain resulted in exceptional levels of student growth. CIMA recruited 26,494 students against a target of 25,142.

Marketing and communications
Throughout 2011 CIMA engaged new entrants into the profession through marketing media and activities. In our markets around the world we held open days and roadshows, and used radio and print advertisements together with special course promotions with local recruitment campaigns tailored to each region.

To date we have recorded 3,258 ‘Likes’ on our Global Business Challenge Facebook page and 6,200 followers on Twitter. Visits to our website, meanwhile, increased by 20% in 2011, from 2,263,466 the previous year to 2,882,727.

Video, a medium that we have developed hugely, also saw an increase with the average monthly viewing rate rising from 1,009 in January 2011 to 8,208 in December 2011.

Strengthening our global presence
We opened offices in Russia, Poland, Nigeria, Bangladesh and Pakistan during the year. CIMA is now able to recruit more effectively at country level and build new relationships with local businesses and universities. An example of this is seen in Poland, where the number of CIMA members and students has increased by 28% year-on-year.

We have also strengthened CIMA’s regional structure from a governance and management perspective. We ensure CIMA is closer to its stakeholders by equipping our offices around the world with the tools, talent and other resources required to meet local needs, while being guided by CIMAs global standards.

These actions are aimed at ensuring CIMA is leaner, fitter and more agile in the global market.

Relationship building
CIMA continues to build strong relationships with organisations such as universities and large multinational companies, in key markets such as India and China.

A further way we acquire students is through advancing students from the Association of Accounting Technicians (AAT) qualification to CIMA, building on their existing accountancy knowledge. In 2011 1,629 registrations worldwide (combined intermediate and technician levels) advanced in this way.

CIMA Value Chain:

We aim to attract new students, laying the all-important foundation for future members.
Inspiring young people
Beyond our everyday training and education, CIMA is committed to broadly developing young people’s talent around the world.

Our annual Global Business Challenge (GBC) gives participants the opportunity to experience real business scenarios, test their professional competence, sample life as a management accountant, and gain career-enhancing exposure. More than 8,500 registrations from 17 regions around the world were received. The finals, which were in China during July, saw a team from the University of the Philippines crowned global champions.

In Sri Lanka, we hold an annual Spellmaster competition to help improve school students’ English language skills. The spelling competition is open to Sri Lankan nationals between the ages of 14 and 18. The 2011 competition attracted 7,000 students, up 5,000 from the previous year. Four finalists competed for the grand prize live on Sirasa TV, a leading Sri Lankan TV channel.

In the UK, CIMA is the national sponsor of the Lionheart challenge for schools, which nurtures future entrepreneurs and business personnel. At day-long events teams of pupils create and design an innovative product or service with commercial potential. Leading business professionals, including CIMA members and students, act as team mentors, expert advisors and judges in school challenges and regional finals around the country. The winning team from each region goes on to compete at the national Grand Final.

Case study
4,000 students recruited
Sri Lanka has had an excellent year for student recruitment, breaking through the 4,000 student recruitment mark.

CIMA is extremely active in local communities in Sri Lanka, training Advanced Level teachers to perform better. As many as 50,000 students are coached to obtain entry level qualifications to the SME sector and further professional education, such as that offered by CIMA.
The Deepen element of the Value Chain focuses on supporting students through their exams and winning their loyalty by demonstrating the value of CIMA membership. We employ a mix of global and local initiatives. Responsibility is shared by the global student and tuition support team and the regional directors, overseen by the CIMA Life Long Learning Committee. In 2011, we achieved our target of 4,988, progressing 5,030 students to membership.

At-risk priority groups
For students, participating in exams and then passing them are key components in their progression to achieving CIMA membership. The two main groups of students most at risk of lapsing are those who:

- Have never sat an exam in their first two years.
- Joined directly at Operational and Managerial level (through exemptions) and fail their first exam.

The Deepen strategy will focus on these high-risk groups at the Certificate, Operational and Managerial levels of the CIMA qualification, with particular emphasis on the UK, Sri Lanka, South Africa and India.

We are currently segmenting groups of students on the basis of their attitude to exam participation and their success in passing exams. This will permit a more customised approach to supporting them.

Mentoring and exam support
In 2011 we introduced a mentoring scheme to support students who had previously failed exams by linking them up with newly-qualified members. Mentoring takes place by email or video conferencing and involves guidance on CIMA examinations. This process helps to increase students’ confidence and improve their exam techniques.

As a result of this scheme, for those students who were mentored outside the UK, the examination absentee rate dropped by 50%. In total over 500 CIMA mentors volunteered for the scheme.

Links with universities and tuition providers
Our relationships with universities are critical to the success of the Deepen strategy. We launched new degree links with the Manchester Metropolitan University and Robert Gordon’s University in Aberdeen. These courses enable CIMA students to study for a degree while also studying CIMA, and are heavily subscribed.

Our links and activities with tuition providers are also crucial for deepening our relationships with students.

In order to recognise those education providers who reach the high standards of CIMA tuition, CIMA has developed a quality assurance system to accredit these institutions. In total, 76 new course providers were awarded this accreditation, including the first CIMA Listed course providers in Brunei, Egypt, Ghana, Iraq, Mongolia, Slovakia, Nepal and Vietnam.
Attaining membership
CIMA celebrates students’ success in attaining their membership. In the UK we do this through two high-profile celebrations attended by the President and the Chief Executive and through a number of local dinners and events. In other regions around the world we hold graduation ceremonies to recognise these achievements.

Targets for 2012
In 2012 we are focusing on specific areas of progression across the CIMA qualification. In the first instance, we will tackle the build-up at Certificate in Business Accounting (CBA) level in the UK so they can progress to the higher levels of the qualification. We will also ensure that those students who enter midway into the course through exemptions and gateways, progress from their entry point through the rest of the qualification.

Case study
Malaysia Graduation
In Malaysia, CIMA held a high-profile graduation ceremony for members in partnership with KPMG and several top Malaysian universities. The ceremony took place at the Taylor’s University Lakeside Campus in Petaling Jaya and was attended by 400 guests. These included new CIMA members from Malaysia, Singapore and Indonesia, top scorers from the professional exams and other CIMA students, together with their families and friends.

The event was sponsored by Sunway University, Taylor’s University, Universiti Utara Malaysia, Universiti Sains Malaysia, Tunku Abdul Rahman College and Crescendo International College. KPMG, meanwhile, provided the supporting corporate partnership. Overall, the event was a huge success. It also helped to deepen our relationship with local employers and the Malaysian academic community, and showcased the benefits of course completion and ongoing CIMA membership.

CIMA graduation ceremony in Malaysia
CIMA Value Chain:

Retain

We aim to retain members over the long term, by engaging members in a lifelong learning relationship with CIMA, supporting and future-proofing their career.

The Value Chain's Retain element engages members in a lifelong learning relationship with CIMA, supporting and future-proofing their careers. This is vital to maintain CIMA's excellent retention rate. Much of the activity in the Reputation and Research element on pages 16-17 naturally supports member retention activities.

The figure at the end of 2011 was 98.8% against a target of 98.5%. CIMA's reputation and the value of the CIMA membership are clearly appreciating in worth. This rise in the value of membership has been measured in four ways:

1. Improving members' career prospects
   72% of employers felt their business needed more management accountants than financial accountants 3% (CIMA 2011 Employer Survey).

2. Helping members to keep pace with what employers need
   Leadership (58%), strategic skills (56%), change management (50%) and business performance management (34%) mark us out against audit and public accounting bodies. (CIMA 2011 Employer Survey, question: 'Which top five management and financial skills are most needed by your company in the next 12 months?')

3. Helping members to succeed and stay ahead
   During 2011 the FM magazine was redesigned to better equip members with the knowledge they need to stay abreast of the changing management accountancy landscape. In addition, CIMA has published more than 40 innovation reports featuring leading-edge research, tools and techniques. CIMA held high profile events with top business leaders such as Paul Walsh, Chief Executive of Diageo. CIMA Mastercourses offered high quality training on over 100 subjects across a broad spectrum of topics, delivered by expert speakers – driving innovative thinking, not only within the CIMA community, but further afield.

4. New designation for members – CGMA
   CIMA members automatically qualify for this new designation from 31 January 2012 as the CIMA syllabus forms the foundation of the CGMA. As awareness and understanding build, most notably in the United States and the rest of the Americas, this represents very significant additional value to members at no additional cost to them.

Member retention

Target for 2012
98.7%

Performance in 2011
98.8%

- Through the Joint Venture, we want to provide a member experience that establishes the CGMA as the most valued, globally-recognised management accounting designation
- Following the Joint Venture launch, we plan to build the value of CGMA with the American Institute of Certified Public Accountants and CIMA members, engage and connect key stakeholders and enable connections between the two organisations
Members’ network
CIMA’s local network offers a varied programme of events to help members maintain their Continuing Professional Development (CPD). In the UK, for example, over 500 networking events are held each year, ranging from breakfast and evening events through to half-day or day-long conferences. Topics include hot topics such as the UK’s recent Bribery Act, new pension changes and IFRS updates, as well as soft skills such as effective leadership and influence and social media techniques for business.

During 2011, CIMA held several prestigious events which members attended for networking purposes. In association with ICAEW and the Bank of England, CIMA hosted a business dinner in Newcastle where Sir Mervyn King, the Governor of the Bank of England, was a keynote speaker. Meanwhile the President’s dinner in Edinburgh, December 2011, was attended by nearly 200 distinguished guests.

CPD and online courses
It is important that our members stay up-to-date with the continually changing business landscape.

In 2011, in partnership with BPP, CIMA launched a new suite of online CPD courses called CIMA on demand. Over 45 courses are now available, and we will continue to launch new courses.

Following the launch of the Joint Venture in January 2012, our management accounting-specific online courses are now also the backbone of the CGMA online courses.

Overall, 99.6% of our members audited in 2011 met CIMA’s CPD requirements.

Case study
Financial Management Magazine
One of the most valued benefits of CIMA membership, Financial Management magazine, was relaunched at the beginning of 2011 with more incisive content and a new look designed to appeal to readers. With greater in-depth global coverage to reflect the expanding international scope of management accounting, the publication has attracted outstanding contributors such as Gillian Tett, the award-winning US managing editor of the Financial Times. The careers of prominent CIMA members from around the world have also been showcased adding to the international perspective and business relevance of the magazine.

At the same time a dedicated Financial Management magazine website (www.fm-magazine.com) was unveiled, attracting significant traffic globally. CIMA also provides specialist editorial content for the new CGMA magazine launched in January 2012 (www.cgma.org/Magazine/). This will continue to be available online free to CIMA members.
We aim to meet all of our members’ needs and give pride to our members, staff and other stakeholders, resulting in passionate advocacy for CIMA and its qualification.

The aim of the Fulfil element of the Value Chain is to leverage CIMA’s achievements as an organisation that displays excellence and value to win the respect and loyalty of members and other stakeholders who in turn promote CIMA and its qualifications. Our objective is that all our stakeholders become strong advocates for CIMA. In 2011 our stakeholders showed their readiness to build CIMA’s brand awareness and to explain to leading employers and others why the CIMA qualification is relevant to the needs of organisations in the public, private and third sectors.

A global FCMA, CGMA leader endorsing CIMA’s drive for creation of sustainable businesses was Paul Walsh, Chief Executive of Diageo. Paul spoke at the Royal Society of Arts in the lecture series Value from Values hosted jointly by the institute and the think-tank Tomorrow’s Company. He outlined some of his company’s innovations in distilling to reduce the environmental impact of the production of spirits. Also speaking in this lecture series was David Brennan, chief executive of AstraZeneca, who explained the challenges facing the pharmaceutical industry in creating value when its project time horizons were so long.

CIMA was also invited to build on work it has done with the UK’s Department of Business Innovation and Skills (BIS) by joining a project on Informed Decision Making with the Institute for Government. Due to report in 2012, this will spell out the central importance of good management information in improving the effectiveness of the Whitehall machine and in getting departments to take value for money more seriously. CIMA’s Helen Weir CBE, FCMA, CGMA, now Group Finance Director at the John Lewis Partnership, sits on the Advisory Group for this project.

Satisfaction surveys
CIMA’s principal measure of member satisfaction, measured through a survey, showed 77% of CIMA members were either ‘satisfied’ or ‘extremely satisfied’, with only 5% expressing dissatisfaction with CIMA as a membership body in 2011. This was against a target of 79%, which remains our target for 2012.

We undertook a global employer survey to evaluate satisfaction with CIMA training, satisfaction with CIMA-trained employees inside organisations, and to understand expectations of CIMA’s products and services. Overall, 79% of employers said they are satisfied that their employees studying towards or those qualified in CIMA are equipped to meet the needs of organisations in the public, private and third sectors.
CIMA employee retention and satisfaction
Within CIMA, voluntary employee retention is a good indicator of excellence. Results in this area continue to improve, and figures for 2011 exceeded our target by 6% (91%). This suggests that our people are engaged with CIMA and motivated in their work, as confirmed by our 97% employee attendance rate.

Our annual Employee Survey results also showed high levels of satisfaction – 67% of employees feel that CIMA’s senior leadership consistently provide clear direction for the future (up from 50% in 2010), and 92% of our people feel that communication from senior leadership is just as strong (52%) or better, (40%) than it was in the previous 12 months.

Internal career development and succession planning
As well as retaining talented people, we also focus on developing them. Internal career development is a key component of our Fulfil strategy and is essential to our efforts to ensure the sustainability of CIMA as an organisation. Each year, we provide internal opportunities for our people and set targets for the number of our employees we want to move, promote or second. In 2011, we exceeded our target of 9% (35 people) by a fifth.

Employee volunteering
The willingness of employees to volunteer their time and talent reflects CIMA people’s care and concern for the communities in which we operate, and volunteering schemes form a key part of our efforts within the Fulfil element of the Value Chain. Our figure for employee volunteers in 2011 was 177 hours against a target of 130.

Case study
CIMA World Conference, South Africa, 2011
South Africa is recognised as a global leader in the areas of integrated reporting and sustainability best practice, so it was a fitting place to hold the CIMA World Conference in October. The theme of the conference was sustainability – how to relate to it, how it is implemented and how it will inform the future of business.

In addition to business sustainability, the area of performance management in the public sector formed a major topical thread of the conference. The issue faces economies throughout the world and has been given renewed emphasis in light of the current financial crisis affecting many countries.

CIMA launched a very well received report, Public Sector Performance, A Global Perspective, presented by CIMA’s Head of Research and Development, Dr. Noel Tagoe. The report looks at different examples of public sectors globally, considers the different models that exist, and the common challenges that are shared. It includes a specific performance management framework that can be applied for the alignment of policies to outcomes.

Speakers at the conference included International Integrated Reporting Council chairman Professor Mervyn King who spoke on ‘interpreting the code of corporate governance with the view to global reporting’. World Bank lead financial management specialist Gert van der Linde addressed ‘budget management for improved performance in the public sector, and chair of the International Public Sector Accounting Standards Board Professor Andreas Bergmann discussed ‘financial sustainability in the public sector’.
The role of finance and operations is to make CIMA more efficient and effective. In our infrastructure, financial management and use of resources, we focus on making CIMA leaner, fitter and more agile, and on putting ourselves in a strong position to meet our growth objectives.

In 2011 we rolled out a number of initiatives designed to enhance our financial and operational performance.

**Financial systems**
In 2011 we introduced a new Purchase to Pay (P2P) system. With all global information now held in one place, we have strengthened group buying power around the world and can carry out our transactions in a more cost-effective way. We are also developing a new Supplier Relationship Management (SRM) system to drive an increased understanding of CIMA's cost base and help us maximise returns in a tough economic climate.

In 2012 we will focus on developing our Corporate Performance Management (CPM) system. This will provide internal decision makers with direct access to the information they need to meet the expectations of stakeholders. Our expansion in global markets will also require global financial control and reporting processes to ensure we have a consolidated view of our operations.

**Operational systems**
CIMA continues to investigate innovative technologies and systems to ensure we connect with our customers and within the organisation in the most appropriate way.

Through our dashboard development plan we are looking to improve the information flow around the organisation and enable better, more informed decisions to be made. Some areas of focus include:

- Marketing segmentation enhancements
- New examinations dashboards
- Multi-language analytics
- Product sales reporting
- Process group dashboards
- Sales conversion reporting
- High Performance Marketing reporting

In 2012 we will also be improving our core customer relationship system, Siebel, to enable it to effectively support the CIMA Value Chain. We will concentrate our activities on:

- A feasibility study for upgrading Siebel
- Integration of web analytics with core analytics to improve richness of data
- New member application process, with the possibility of new AICPA assessment process
- Support for any project initiatives
- Possible employer portal to enable employer interaction with CIMA online

Our Riverbed WAN Project, meanwhile, is designed to enhance connectivity between our internal regions and the Corporate Centre and improve data protection. We are also in the process of moving our server infrastructure off site and increasing the number of internal services provided by cloud computing. Cloud computing will enable staff to access applications, files and data from any location around the world using multiple devices such as a PC, iPad, Blackberry and Smartphone.

**CIMA Ireland office**
In 2011 we completed the successful merger of CIMA operations in the Republic of Ireland and Northern Ireland. This included a move to new premises and the establishment of the all-Ireland entity, CIMA Ireland.

**People**
Our people are crucial to CIMA’s success as an organisation. We ended 2011 with a global workforce of 389, with 25 new positions created throughout the year around the world.

We also enabled our people in the UK Corporate Centre to shift focus to provide partnership support to our 27 market offices offices, and enhanced our leadership capabilities through the CIMA Leadership Academy.

**Corporate Centre**
In 2012 we will begin our search for new premises due to the expiry of the lease in 2015. This gives CIMA the opportunity to review the location and make-up of the Corporate Centre. We will be looking to meet the needs of our stakeholders, in particular those members supporting CIMA’s activities, those we partner with in the delivery of our value chain and those we seek to influence in promoting the science of management accounting.

**Environmental performance**
Throughout 2011 we looked for ways to minimise CIMA’s impact on the environment. To help us better understand our environmental footprint, we conducted reviews of our utility use and environmental processes. We also introduced new printing systems and equipment with a view to increasing security and reducing paper usage.

We have had to accept, however, that CIMA is presently on a journey. Through our expansion in global markets and our joint Venture with the American Institute of CPAs, we are implementing long-term plans for the future that have required, in the last year, extensive overseas travel. This has meant we have missed targets for carbon emissions. The details of our environmental performance against targets are set out here:
Utilities usage

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water (m³)</td>
<td>3,397</td>
<td>3,689</td>
</tr>
<tr>
<td>Gas (Kwh)</td>
<td>230,064</td>
<td>351,322</td>
</tr>
<tr>
<td>Electricity (Kwh)</td>
<td>878,759</td>
<td>828,440</td>
</tr>
<tr>
<td>Paper (sheets)</td>
<td>1,854,511</td>
<td>1,876,551</td>
</tr>
<tr>
<td>Travel – carbon emissions (Kgs)</td>
<td>421,871</td>
<td>280,435</td>
</tr>
</tbody>
</table>

In 2012 we will be improving our video conferencing facilities in order to reduce travel wherever possible. We are also working to improve our resource efficiency in all our offices worldwide. We acknowledge that we have a long way to go before we reach our internal sustainability targets, and are devising systems to enhance our environmental data capture and monitoring.

However, we are currently in the process of investing in the long-term success of CIMA and the management accounting profession. Once key projects are up and running in 2012, we will be in a better position to start improving our environmental processes and performance.

Case study

Café Connect

At our Corporate Centre in London we reconfigured the ground floor of our main building, creating an open-plan meeting place called Café Connect.

Café Connect is a physical expression of how CIMA has changed. It embodies our efforts to implement the CIMA Brand throughout the organisation and it is a place where members, students, staff and others can connect and communicate.
CIMA is committed to the highest standards of corporate governance and supports the UK Corporate Governance Code, which is published by the Financial Reporting Council. This Code was drawn up for listed companies, and includes extensive guidance regarding institutional shareholders. As such, CIMA is not obliged to, or able to, follow it completely. However, the CIMA Council is committed to applying it as far as is applicable for a professional body.

**CIMA Council**
CIMA is governed by a Council of up to 54 members. The Council is responsible for setting strategy and policy in line with the objects set out in CIMA’s Royal Charter, and for representing the interests of, and reporting to, the general membership. It also determines and reviews CIMA’s mission.

The Council met five times in 2011 and two significant decision areas were to leave the CCAB and approval of the Joint Venture with the American Institute of Certified Public Accountants.

At the AGM in June, Council amended the Charter and made changes to Byelaws 1, 4 and 11 on disciplinary matters. Byelaws 20, 21 and 28 were also amended to reflect decisions made by Council in December 2010 to implement a maximum tenure of office for Council members and to standardise the periods of office of elected and co-opted Council members. It was agreed that from January 2012 both elected and co-opted Council members can serve on Council for up to nine years (three terms of three years), not including service as an Honorary Officer. The provision under which a former President can return to the Council remains the same.

In July at the annual Council Strategy Session, the Council and Senior Management Team (SMT) worked together on the foundation of CIMA’s new behaviours and mission statement, ‘Helping people and businesses to succeed’, a statement which provides a sharp refocus on CIMA’s strategic purpose and responsibilities to its members and the wider public.

**Governance structure**

The Council is responsible for setting strategy and policy in line with the objects set out in CIMA’s Royal Charter, and for representing the interests of, and reporting to, the general membership. It also determines and reviews CIMA’s mission.
Auditor’s report

Independent auditor’s report to the members of the Chartered Institute of Management Accountants

We have examined the summary financial statements of CIMA for the year ended 31 December 2011 which comprise the consolidated statement of comprehensive income, consolidated balance sheet and consolidated statement of changes in funds. The report is made solely to CIMA members as a body, in accordance with CIMA’s byelaws.

Respective responsibilities of the Council and auditor

Council is responsible for the preparation of the summary financial statements in accordance with the byelaws of CIMA and international accounting standards.

Our responsibility is to report to you our opinion on the consistency of the summary financial statements contained within this CIMA annual review 2011 with the full financial statements. We have also read the other information contained within the annual review and have considered the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statements.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the group’s full financial statements describes the basis of our audit opinion on those financial statements.

Opinion

The summary financial statements are consistent with the full financial statements for the year ended 31 December 2011.

Chantrey Vellacott DFK LLP
Statutory Auditor
Russell Square House
10 – 12 Russell Square
London WC1B 5LF

23 March 2012
Summary results
CIMA generated a surplus for the year of £0.5m in the year (2010: £1.1m). Income grew by 8% (£3.6m) year-on-year, with most of the growth coming from member subscriptions and examinations. During 2011 more initiatives were focused on the recruitment of students, through additional people resource in business development and the contact centre, additional investment in technology, processes and premises. This supported market-facing activity and pricing schemes to encourage prospective students to choose CIMA.

Brand & business development activities
In 2011, we launched the new CIMA mission statement, ‘Helping people and businesses to succeed’, simplifying our former combination of mission, vision and value statements. We also devised new brand and business tools, such as the CIMA Brand Footprint, Business Model and Value Chain, to reinforce our message.

Expenditure on brand and profile activities decreased by £0.7m (18%) to £3.2m (2010: £3.9m). This was partly due to scaling back on global advertising campaigns to refocus on preparing for the Joint Venture launch.

Business development costs have increased by £2.2m (29%) to £8.8m (2010: £7.6m). These were mainly incurred through increased investments in the regions, particularly opening new offices in Russia, Poland, Nigeria, Bangladesh and Pakistan and bearing the first full year costs of activities in countries such as Ghana.

Student acquisition
Membership growth, CIMA’s principal key performance indicator, is driven primarily by the recruitment of students and their subsequent progression through the examination process. By supporting students through the qualification and onto membership, CIMA helps people and businesses to succeed. A record 26,494 students joined CIMA in 2011, which amounted to growth of 7% in the student population to a year-end total of 106,612. This growth increased student subscription and exemption income to £12.3m (2010: £12.1m). The increased exemption income from Gateway students offset the decrease in student subscriptions that resulted from waiving the first year subscription for new students.

Student progression and retention
Income from examinations increased by 12% (£1.4m), reflecting the larger student population and greater number of examinations taken. Exam delivery and process costs to manage and run these activities, along with greater tuition support, increased expenditure by 17% (£0.7m).

Member retention and professional development
The member population grew by 5% to 87,316 at the end of the year. Along with a 3% fee increase, this has increased member subscription income by £1.2m (8%) to £17.0m (2010: £15.8m).

CIMA’s branch network offers an informative programme of events to help members maintain their Continuing Professional Development (CPD) and provide exam support to students. Income from these member and student services increased by £0.6m; expenditure on them rose by £1.6m, reflecting CIMA’s increased commitment to the development of support products and services. In 2011, at a time of great economic uncertainty with many markets experiencing economic downturns, CIMA has continued to build upon its values and commitment to uphold the highest professional and ethical standards.

Professional standards
The cost of the provision of effective Professional Standards has remained steady at £3.2m.

Financial income and expense and support costs
In supporting CIMA’s global expansion, expenditure on support costs has increased overall by £1.0m to £11.4m (2010: £10.4m). Financial income and expenses have risen by £0.2m, mainly from an improvement in investment income and pension scheme assets.

CIMA’s investment in capital expenditure remained at a similar level to 2010 with £1.2m of non-current asset additions; the net book value of fixed and intangible assets decreased by 10% to £4.3m in 2011 (2010: £4.8m).

The majority of this was IT equipment and trademarks: three classes of trademarks (full name, abbreviated name, and logo) have been applied for in all countries where CIMA operates, or plans to operate.

Investment income increased by 54% to £0.6m (2010: £0.4m). CIMA has maintained its cautious approach to investment management in 2011 with 82% of its year-end funds held as cash or cash equivalents. The remainder was held as non-current assets in a Schroder’s Global Equity Managed Fund, from which a profit of £142k from a partial disposal was realised during the year. The underlying fund value had fallen in value by £530k by the end of the year.

The pension fund deficit rose from £6.8m to £8.7m, an increase of £1.9m (2010: £0.2m). The value of assets increased by £1.2m due to the improvement in bond and equity markets and the deficit contributions paid into the scheme by CIMA. However, the increase was poorer than expected as a result of market weakness due largely to worries about the Eurozone. Liabilities increased in value by £3.2m, driven by a 0.7% reduction in bond yields compared to the 2010 year-end. The approved recovery plan already in place is to make good the deficit over a 12-year period that commenced on 1 April 2009. CIMA’s balance sheet continues to remain strong, driven by cash balances of £21.3m (2010: £19.7m).

John Windle
Chief Financial and Operating Officer
23 March 2012
Consolidated statement of comprehensive income

Year ended 31 December

<table>
<thead>
<tr>
<th>Income £000</th>
<th>Direct expenditure £000</th>
<th>2011 Net £000</th>
<th>2010 Net £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscriptions and exam income</td>
<td>41,613</td>
<td>–</td>
<td>41,613</td>
</tr>
<tr>
<td>Brand and business development</td>
<td>181</td>
<td>(15,826)</td>
<td>(15,645)</td>
</tr>
<tr>
<td>Member and student services</td>
<td>3,008</td>
<td>(14,810)</td>
<td>(11,802)</td>
</tr>
<tr>
<td>Professional standards</td>
<td>–</td>
<td>(3,226)</td>
<td>(3,226)</td>
</tr>
<tr>
<td>Education</td>
<td>64</td>
<td>(10,684)</td>
<td>(10,620)</td>
</tr>
<tr>
<td>Financial income and expense</td>
<td>2,215</td>
<td>(1,961)</td>
<td>254</td>
</tr>
<tr>
<td><strong>Operating surplus attributable to members</strong></td>
<td><strong>47,081</strong></td>
<td><strong>(46,507)</strong></td>
<td>574</td>
</tr>
<tr>
<td>Charitable trusts and other funds</td>
<td>–</td>
<td>–</td>
<td>(118)</td>
</tr>
<tr>
<td>Deconsolidated operations (General Charitable Trust)</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total operating surplus</strong></td>
<td><strong>456</strong></td>
<td><strong>1,072</strong></td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Surplus for the year</strong></td>
<td><strong>456</strong></td>
<td><strong>1,072</strong></td>
<td></td>
</tr>
</tbody>
</table>

In July 2010 The General Charitable Trust became independent of CIMA, therefore income and expenditure relating to the General Charitable Trust have only been included up to this date.

Results for the year are all derived from continuing operations.

Consolidated statement of changes in funds

<table>
<thead>
<tr>
<th>Attributable to CIMA members</th>
<th>Accumulated fund £000</th>
<th>Fair value reserves £000</th>
<th>Foreign currency translation reserve £000</th>
<th>Total attributable to CIMA members £000</th>
<th>Charitable Trusts reserves £000</th>
<th>Group total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 31 December 2009</strong></td>
<td>6,697</td>
<td>1,646</td>
<td>(17)</td>
<td>8,326</td>
<td>2,252</td>
<td>10,578</td>
</tr>
<tr>
<td><strong>Changes in funds for 2010</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealised gain on investment revaluation</td>
<td>–</td>
<td>501</td>
<td>–</td>
<td>501</td>
<td>56</td>
<td>557</td>
</tr>
<tr>
<td>Reversal of impairment loss on investment</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>Deconsolidation of General Charitable Trust reserves</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>(24)</td>
<td>(24)</td>
</tr>
<tr>
<td>Actuarial loss on pension scheme</td>
<td>(500)</td>
<td>–</td>
<td>–</td>
<td>(500)</td>
<td>–</td>
<td>(500)</td>
</tr>
<tr>
<td>Ordinary surplus / (deficit) for the year</td>
<td>1,089</td>
<td>–</td>
<td>–</td>
<td>1,089</td>
<td>62</td>
<td>1,027</td>
</tr>
<tr>
<td>Foreign exchange on translation</td>
<td>80</td>
<td>–</td>
<td>427</td>
<td>507</td>
<td>–</td>
<td>507</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2010</strong></td>
<td>7,366</td>
<td>2,147</td>
<td>410</td>
<td>9,923</td>
<td>2,267</td>
<td>12,190</td>
</tr>
<tr>
<td><strong>Changes in funds for 2011</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realised gain on investment disposal</td>
<td>–</td>
<td>(171)</td>
<td>–</td>
<td>(171)</td>
<td>–</td>
<td>(171)</td>
</tr>
<tr>
<td>Unrealised loss on investment revaluation</td>
<td>–</td>
<td>(362)</td>
<td>–</td>
<td>(362)</td>
<td>(69)</td>
<td>(431)</td>
</tr>
<tr>
<td>Actuarial loss on pension scheme</td>
<td>(2,242)</td>
<td>–</td>
<td>–</td>
<td>(2,242)</td>
<td>–</td>
<td>(2,242)</td>
</tr>
<tr>
<td>Ordinary surplus / (deficit) for the year</td>
<td>574</td>
<td>–</td>
<td>–</td>
<td>574</td>
<td>(118)</td>
<td>456</td>
</tr>
<tr>
<td>Foreign exchange on translation</td>
<td>291</td>
<td>–</td>
<td>(587)</td>
<td>(296)</td>
<td>–</td>
<td>(296)</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2011</strong></td>
<td>5,989</td>
<td>1,614</td>
<td>(177)</td>
<td>7,426</td>
<td>2,080</td>
<td>9,506</td>
</tr>
</tbody>
</table>

Results for the year are all derived from continuing operations.
## Consolidated balance sheet

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td><strong>Non current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>2,977</td>
<td>3,210</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1,344</td>
<td>1,582</td>
</tr>
<tr>
<td>Investments</td>
<td>4,938</td>
<td>5,631</td>
</tr>
<tr>
<td><strong>Total non current assets</strong></td>
<td>9,259</td>
<td>10,423</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>3,158</td>
<td>2,876</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>21,340</td>
<td>19,741</td>
</tr>
<tr>
<td>Current tax refundable</td>
<td>–</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>24,498</td>
<td>22,634</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>33,757</td>
<td>33,057</td>
</tr>
<tr>
<td><strong>Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated fund</td>
<td>5,989</td>
<td>7,366</td>
</tr>
<tr>
<td>Fair value reserves</td>
<td>1,614</td>
<td>2,147</td>
</tr>
<tr>
<td>Foreign currency translation reserve</td>
<td>(177)</td>
<td>410</td>
</tr>
<tr>
<td>Charitable trusts and other funds</td>
<td>2,080</td>
<td>2,267</td>
</tr>
<tr>
<td><strong>Total funds</strong></td>
<td>9,506</td>
<td>12,190</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>4,620</td>
<td>4,825</td>
</tr>
<tr>
<td>Subscriptions and fees received in advance</td>
<td>10,853</td>
<td>9,206</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>15,473</td>
<td>14,031</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement benefit obligation</td>
<td>8,722</td>
<td>6,784</td>
</tr>
<tr>
<td>Long-term liability</td>
<td>56</td>
<td>52</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>8,778</td>
<td>6,836</td>
</tr>
<tr>
<td><strong>Total funds and liabilities</strong></td>
<td>33,757</td>
<td>33,057</td>
</tr>
</tbody>
</table>

Results for the year are all derived from continuing operations.

A reconciliation of the movement in Funds is presented in the Consolidated statement of changes in funds.

Signed on behalf of the Council

---

*Harold Baird*
President

*Gulzari Babber*
Deputy President

23 March 2011
## CIMA’s Council and Executive Committee members

### Meetings attended by members of CIMA’s Council and Executive Committee
(January 2011 to December 2011)

<table>
<thead>
<tr>
<th>Name</th>
<th>Electoral Constituency</th>
<th>Council</th>
<th>Executive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams P J</td>
<td>11</td>
<td>4/5</td>
<td></td>
</tr>
<tr>
<td>Agate M</td>
<td>11</td>
<td>5/5</td>
<td></td>
</tr>
<tr>
<td>Babber G L dp</td>
<td>5/5</td>
<td>6/6</td>
<td></td>
</tr>
<tr>
<td>Bainbridge Spring A P</td>
<td>1</td>
<td>5/5</td>
<td></td>
</tr>
<tr>
<td>Baird J H p</td>
<td>5/5</td>
<td>6/6</td>
<td></td>
</tr>
<tr>
<td>Barnes D</td>
<td>4</td>
<td>5/5</td>
<td>4/4</td>
</tr>
<tr>
<td>Bellis-Jones R</td>
<td>1</td>
<td>4/5</td>
<td></td>
</tr>
<tr>
<td>Boffey A +</td>
<td>6</td>
<td>4/4</td>
<td></td>
</tr>
<tr>
<td>Callander J D</td>
<td>7</td>
<td>5/5</td>
<td></td>
</tr>
<tr>
<td>Chan K K C</td>
<td>15</td>
<td>5/5</td>
<td>4/4</td>
</tr>
<tr>
<td>Chrupelj</td>
<td></td>
<td>4/5</td>
<td></td>
</tr>
<tr>
<td>Clackworthy S</td>
<td>12</td>
<td>5/5</td>
<td></td>
</tr>
<tr>
<td>Clutterham R M</td>
<td>1</td>
<td>5/5</td>
<td></td>
</tr>
<tr>
<td>Court I C J #</td>
<td>2</td>
<td>1/1</td>
<td></td>
</tr>
<tr>
<td>Farnsworth W J #</td>
<td>6</td>
<td>1/1</td>
<td>2/2</td>
</tr>
<tr>
<td>Furber M L vp</td>
<td></td>
<td>5/5</td>
<td>6/6</td>
</tr>
<tr>
<td>Glass G Mcl ipp</td>
<td></td>
<td>5/5</td>
<td>6/6</td>
</tr>
<tr>
<td>Green J +</td>
<td>4</td>
<td>4/4</td>
<td></td>
</tr>
<tr>
<td>Hassall T</td>
<td>5</td>
<td>3/5</td>
<td></td>
</tr>
<tr>
<td>Hill M E</td>
<td>12</td>
<td>5/5</td>
<td></td>
</tr>
<tr>
<td>Hoof S M</td>
<td>4</td>
<td>3/5</td>
<td></td>
</tr>
<tr>
<td>Hurst S</td>
<td>4</td>
<td>3/5</td>
<td></td>
</tr>
<tr>
<td>Jackson N</td>
<td></td>
<td>4/5</td>
<td></td>
</tr>
<tr>
<td>James W A</td>
<td>3</td>
<td>4/5</td>
<td></td>
</tr>
<tr>
<td>Janagol H</td>
<td>11</td>
<td>4/5</td>
<td></td>
</tr>
<tr>
<td>Jayasinghe N</td>
<td>14</td>
<td>5/5</td>
<td></td>
</tr>
<tr>
<td>Joachim A E A pp #</td>
<td>2</td>
<td>1/1</td>
<td></td>
</tr>
<tr>
<td>Philie Karkaria</td>
<td></td>
<td>2/5</td>
<td></td>
</tr>
<tr>
<td>Lee, Yee Chong</td>
<td>16</td>
<td>3/5</td>
<td></td>
</tr>
<tr>
<td>Lewis M J</td>
<td></td>
<td>4/5</td>
<td></td>
</tr>
<tr>
<td>Longhorn C G #</td>
<td>7</td>
<td>1/1</td>
<td>1/2</td>
</tr>
<tr>
<td>Luck K F</td>
<td></td>
<td>4/5</td>
<td>5/6</td>
</tr>
<tr>
<td>Mack D</td>
<td></td>
<td>4/5</td>
<td></td>
</tr>
</tbody>
</table>

### Key
- p: President
- dp: Deputy President
- vp: Vice President
- pp: Past President
- ipp: Immediate Past President
- +: Appointment effective from AGM 2011
- ++: Appointment effective from 29 July 2011
- +++: Appointment effective from 27 September 2011
- ++++: Appointment effective from 17 October 2011
- #: Left Council/or Executive Committee at AGM 2011

### Honorary Officers
- President: Harold Baird
- Deputy President: Gulzari Babber
- Vice President: Malcolm Furber
- Immediate Past President: George Glass

### CIMA Electoral Constituency
1. Central London & North Thames
2. South West England & South Wales
3. East Midlands & East Anglia
4. West Midlands
5. North East England
6. North West England & North Wales
7. Scotland
8. Northern Ireland
9. Republic of Ireland
10. East, West Central & Southern Africa
11. Central Southern England
12. South East England
13. South Asia
14. North Asia
15. Europe, North Africa & Middle East
16. The Americas
17. Australasia