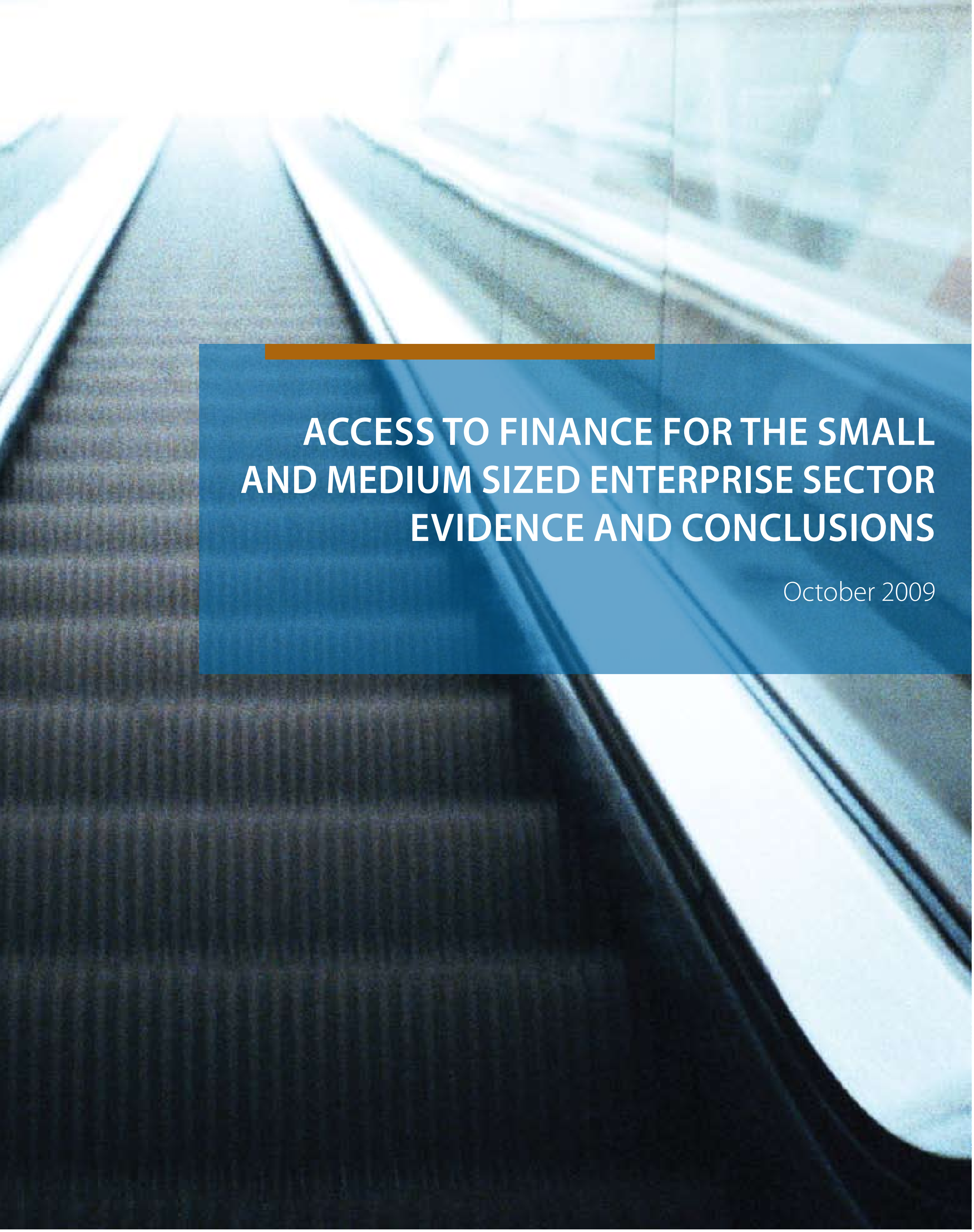

ACCESS TO FINANCE FOR THE SMALL AND MEDIUM SIZED ENTERPRISE SECTOR EVIDENCE AND CONCLUSIONS

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CPA AUSTRALIA

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Access to Finance for the Small and Medium Sized Enterprise Sector Evidence and Conclusions

Small and medium sized businesses (SMEs) around the world are facing their biggest challenge as a result of the global economic situation.

In order to establish the global scale and nature of the challenges facing SMEs, three leading international accountancy bodies ACCA (the Association of Chartered Certified Accountants), the Certified General Accountants Association of Canada (CGA-Canada) and CPA Australia have jointly sponsored a survey by the Economist Intelligence Unit (EIU) which examines a range of issues including the impact of credit shortages, the constraints which businesses expect to face in the coming years and their assessment of the effectiveness of government intervention.

In those countries hit hardest by the economic downturn, banks have cut lending, and are in many cases being accused of not passing on interest rate cuts designed to help economies recover. Businesses experiencing weak demand for their products and services are faced with tough decisions on investment and staffing levels and the best structure to enable them to survive and compete in the future.

Yet across the world, policymakers look to the SME sector for resilience and innovation in the face of these challenges – to lead their economies out of the current downturn. Based on this research, the three bodies will make recommendations to policy makers and employers about the initiatives which should be taken to ease the situation for this crucial sector. They will also highlight the ways in which finance professionals can assist SMEs to emerge from the recession and be in a position to capitalise on the increased demands which the EIU findings predict for 2010/11. Many entrepreneurs are facing an economic downturn for the first time – and it is crucial that they be given the support and skills needed to get through it.

Professional bodies working together

The decision to work together by ACCA, CGA-Canada and CPA Australia, who between them represent nearly 700,000 finance professionals and trainees worldwide, reflects the importance of the challenges facing SMEs today. The three bodies believe that through their reach and insights, they can create an international platform, bringing together policy makers, business and other stakeholders, to highlight the importance of SMEs and their contributions to economic development around the world – and the issues and concerns facing them.

All three bodies have a long history of supporting SMEs. With many thousands of members working in or for small and medium sized businesses all three bodies also have a clear understanding of the concerns, constraints and opportunities of the sector. Accountants are primary business advisers to SMEs in areas relating to accounting, finance and broader business matters. They

help to promote business confidence with investors, lenders, customers and suppliers.

Each body has campaigned on SME issues and by tackling these issues together, the three bodies will bring a wide range and depth of expertise to the debate. This is an issue which all bodies believe is too large to be spearheaded by a single organisation and by working together they can more effectively highlight the problems confronting SMEs on a global level.

With SMEs accounting for at least 95% of enterprises, it is critical that they remain at the forefront of global public debate.

The Economist Intelligence Unit

The Economist Intelligence Unit (EIU) is the world's foremost provider of country, industry and management analysis. Founded in 1946, the Economist Intelligence Unit is now a leading research and advisory firm with more than 40 offices worldwide.

Its extensive international reach and its independence make the EIU the most trusted and valuable resource for international companies, financial institutions, universities and government agencies.

Integrating the evidence base

In order to complement and put into context the findings of the EIU survey, this report also brings together selected findings from a wide range of rigorous SME research projects around the world. It draws especially from the most recent large-scale SME and membership surveys carried out by ACCA, CGA-Canada and CPA Australia:

- The ACCA Global Economic Conditions Survey (August 2009)
- The CGA-Canada Small Business Survey 2009, conducted by Synovate (September 2009)
- The CPA Australia Asia-Pacific Small Business Survey 2009 (September 2009)

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Key Recommendations

Governments and banks:

- SMEs are an integral part of national economies. Having offered considerable support to this day, governments must not lose sight of their SME agenda as the recovery finally gets underway, as focused support for this sector will be important to achieving sustainable economic recovery.

- As developing nations continue to enjoy relatively strong economic growth, governments of developed nations must resist growing calls to impose protectionist measures aimed at protecting businesses in their own countries.

- Uneven growth rates across different countries present an opportunity, not a threat to SMEs and their national economies. SMEs must be encouraged and supported in their efforts to tap growing foreign markets through a wide range of instruments, from credit insurance guarantees to tailored regional advice and networking opportunities.

- Governments must remain focused on encouraging employment in small business through appropriate regulation, selected fiscal incentives and reasonable labour market flexibility. They must not lose sight of their skills and regulatory reform agendas, even though the case for both has been dented somewhat by the recession.

- Governments will need to encourage asset and equity finance, including business angel investment. This is a matter of stimulating demand as much as it is of encouraging supply – building the capacity for SMEs to understand these sources of finance, choose suitable modes of financing from the full range of options, and make themselves attractive as recipients of non-bank finance.

- Early signs of recovery could prove misleading and policymakers need to remain on the alert at least until 2011.

- Uncertainty about future credit conditions is an obstacle to investment. Policy-makers and lenders should try to provide more clarity by publishing more information, both backward and forward-looking, on trends in lending and what lenders require from business loan applications.

- Governments must appreciate the skills aspect of the challenge for managers and owners of SMEs and provide support accordingly. Many SMEs are experiencing their first recession; they are having to re-learn finance and reconsider how they do business. There is scope for supporting this learning process through subsidised training or advice.

- Policy-makers need to be conscious of business investment as a barometer of the economic recovery. Rising confidence and GDP growth may not be sustainable unless SMEs feel secure enough to hire and invest.

- Governments need to consider the full array of tools available to them in order to encourage investment and innovation among SMEs – from tax incentives and development of workforce skills to public procurement and publicly funded research.

- Banks risk losing the trust of SMEs unless they empower their staff to manage SME relations and better understand clients. Where banks are unable or unwilling to do so, accountants should be prepared to mediate between lenders and borrowers.

Businesses:

- Businesses need to recognise their customer relationships as a strategic asset and address them formally as they would any valuable intangible asset. Both governments and practitioners in a broad range of professions have a role in educating SMEs on how to manage and protect such assets.

- Businesses need to carefully consider what skills and capacity they will need as the recovery gets underway: without investment, assumed productivity gains could fail to materialise. It is important to plan for these resources in the medium and long-term, otherwise short-term optimisations could do more harm than good.

- While cost-cutting will be necessary for many SMEs in the near future, it is important that this be a disciplined exercise, based on solid business planning. Knee-jerk reactions can damage the prospects of a business and, on a macro scale, jeopardise economic recovery.

- SMEs should continue to focus on improving their cash position and profitability. This will provide a potential source of internal finance, which may be important if the current credit conditions persist.

- In some markets, particularly in the US and Europe, the levels of lending seen in 2007 were simply not sustainable. Businesses there should prepare for the eventuality that credit conditions will never recover to 2007 levels and consider how this prospect affects their business planning.

- Businesses and governments have a rare opportunity to tap into the potential for equity investment into SMEs. While supply will be tight at the institutional level, individual investors such as business angels can offer an alternative to bank finance if properly incentivised.

- With asset prices still depressed, SMEs that find themselves in a strong financial position should consider opportunities to expand by acquiring competitors, opening new premises or investing in new assets. With the right professional advice, many smaller businesses could find excellent opportunities in these daunting economic conditions.

SMEs are continuing to grow in spite of the downturn

Despite challenging economic and financial conditions, the SME sector is generally growing in terms of both revenue and employment and expects to grow faster still as the global economy continues to recover. The EIU study adds to a substantial body of evidence documenting the resilience of SMEs. Past recessions have seen smaller businesses lead many of the world's major economies back into growth[1], and enterprise creation is understood to contribute significantly to economic recovery.[2] If SMEs are to play their part, however, they will need reliable sources of finance.

SMEs[3] represent around 99% of enterprises around the world, account for more than half of all private sector employment in the OECD[4], produce 40-50% of the economic output of affluent countries,[5] and are responsible for a very large share of new job creation.[6] The return of robust SME growth is therefore one pre-requisite for economic recovery. Of course, if the last two years have proven anything it is that growth alone is not always an indication of health. Looking at a broader range of health indicators, it is clear that weak cash positions will present a serious challenge for the sector in the medium term, and profitability will take much longer to recover than revenue.

We also note that the strength of customer relations is seen as the most promising aspect of SMEs' performance going forward. While not surprising, this finding suggests that SMEs' customer relationships are in themselves a valuable asset. Like many of the intangible assets owned by SMEs, however, we are concerned that their nature and value are often poorly understood by their owners and not always fully appreciated by other stakeholders, including lenders.[7]

The grass is always greener

These headline findings conceal very substantial regional variations. The EIU's findings suggest that the economies of the Asia-Pacific region, as well as Africa and the Middle East, will outperform the rest of the world as the economic recovery unfolds. This is in line with the emerging consensus and also consistent with

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1 P. Davidsson, L. Lindmark and C. Olofsson, "SMEs and job creation during a recession and recovery" in Ács, Z. J., Carlsson, B., Karlsson, C. (eds) *Entrepreneurship, small and medium-sized enterprises, and the macroeconomy,* Cambridge, 1999; M.A. Carree and A.R. Thurik, "Small firms and economic growth in Europe" *Atlantic Economic Journal,* 26:2 June 1998; C. Parsley, E. Dreessen, "Growth firms project: Key Findings" Industry Canada Small Business Policy Branch, August 2004; Johnson, D., Kenyon, P., and Ha, V. "Employment growth by firm size category" *Labour Economics and Productivity,* 7:1 pp. 49-72, 2005.

2 P. D. Koellinger and A. R. Thurik, "Entrepreneurship and the business cycle" Tinbergen Institute Discussion Paper, August 2009.

3 These figures consider all enterprises satisfying the criteria for SME status in their home countries. As such they will overestimate the importance of SMEs relative to figures produced under a standard definition.

4 OECD, "The impact of the global crisis on SME and entrepreneurship financing and policy responses" July 2009

5 M. Ayyagari, T. Beck and A. Demirgüç-Kunt, "Small and Medium Enterprises across the Globe" March 2005

6 OECD, "SME and entrepreneurship outlook" February 2007.

7 Valuing intangible assets in SMEs" ACCA SME Committee, December 2006 and C. Martin and J. Hartley, "SME intangible assets" ACCA Research Report 93, December 2006

recent findings from ACCA's latest Global Economic Conditions Survey – which saw these two regions return to positive territory in terms of business confidence.[8] In fact, many of these economies have sustained positive growth rates throughout the downturn and are not so much recovering as re-accelerating.

This local growth presents opportunities for SMEs around the world. Yet 44% of the SMEs surveyed by EIU said that the financial crisis had dented their capacity to expand into new markets. Interestingly, this percentage was actually marginally *higher* (45%) among those SMEs that were the most confident about their future revenue growth. Clearly, falling demand combined with a disruption in trade finance and credit insurance, has taken its toll on exporters and it may take a great deal of support to restore confidence in this area.

A note on employment

According to the EIU study, the SME sector has managed to create jobs throughout the worst global downturn in post-war history and expects to do so over the next two years. In the Asia-Pacific region and Africa, where many national economies have returned to growth, 61% and 60% of SMEs respectively expect to increase their headcount; so do 40% of SMEs in Europe and North America.

While this is remarkable and encouraging, we must note that the employment outlook for 2010-11 is quite conservative, especially when considered against the expected increases in revenue. Even among the most confident SMEs in terms of revenue, there is a substantial core of employers who do not expect to grow their headcounts in 2010. Unless investment by SMEs recovers sharply, resulting in strong productivity gains, these figures will be hard to reconcile. Some businesses may well find themselves under-resourced in the recovery.

SME employment is, however, most important in macro terms; an increase in the average headcount could have dramatic effects on consumer demand and economic conditions in general. The result could be a virtuous cycle of employment leading to stronger demand leading to higher employment – a reversal of the vicious cycle triggered by the credit crisis. So far, both SMEs and larger businesses have in many cases laid off staff pre-emptively in anticipation of worse times ahead, even though their revenues and finances had not yet taken a hit. In many countries, this behaviour has fuelled a downward spiral, accelerating and deepening the downturn.

8 ACCA "Global Economic Conditions Survey – Survey Report Q3 2009" August 2009.

Access to finance for SMEs has been squeezed.

Broadly speaking, the EIU study reports a painful rationing of finance, most notably by banks. This resonates with the experiences of our members, accountants and small business advisers, in a number of countries – though by no means all.

Although there are signs now that the supply of external finance to SMEs is stabilising, the credit crunch is still far from over. Of particular concern is the fact that employment among SMEs is extremely sensitive to the supply of finance. According to the EIU survey, both SMEs facing tough credit conditions and SMEs facing severe cashflow problems are almost three times as likely to lay off staff as those not so affected.

A large number of factors can contribute to a rationing of small business credit: Lenders may be under-capitalised, or extremely risk-averse, or they may still be facing a heightened cost of capital. Falling asset prices can contribute to the credit squeeze if they affect assets commonly used as collateral by SMEs. Expectations of reduced growth and profitability in the SME sector and increases in SME insolvencies and the incidence of late payment can, where they occur, reduce the supply of finance. On the other side, many SMEs have responded to the downturn in demand and the reduced availability of finance by rationing their demand for finance.

The above effects have not always coincided, and their intensity has varied between regions. As a result the crisis has affected SMEs to a varying extent in different markets. Australia and to a lesser extent, Canada provide examples of affluent nations in which the impact of the credit crunch has been comparatively mild.

In Canada, for instance, although the national economy shrank by 3.2%[9] from July 2008 to June 2009, over 60% of SMEs indicated that their access to finance has remained unchanged or improved over the past few years. More than 50% have indicated that the credit crisis has not kept them from expanding into new markets, products, and geographic segments.[10]

Equally important is the fact that the amount and types of finance used vary substantially between SMEs of different sizes and sectors as well as between different regions. Smaller SMEs, SMEs in the services sector, as well as those relying on less developed financial systems, tend to use equity finance, and employ various financial bootstrapping methods, including cash management, rather than relying on debt. All of these SMEs will not have been affected by the credit crunch to the extent that their leveraged counterparts have. For instance, CPA Australia's Asia-Pacific Small Business Survey found that only 20% of Australian and Singaporean small businesses had an existing business loan, against 34% of Hong Kong and Malaysian small businesses.[11]

9 Statistics Canada, "Canadian Economic Accounts: Second quarter 2009 and June 2009 " September 2009
10 "The CGA-Canada Small Business Survey 2009" Synovate, September 2009
11 'The CPA Australia Asia-Pacific Small Business Survey 2009' CPA Australia September 2009

In fact, due to their relatively low reliance on bank lending, the smallest businesses have been largely unaffected by the rationing of finance, even in the hardest-hit countries (although they have been hit hard by the downturn in demand brought on by the credit crisis). In the UK, for example, only 19% and 34% of SMEs respectively consider access to finance or cashflow to be the main constraint they face.[12]

The EIU survey instead focused on users of external finance – these tend to be larger and faster-growing than the total SME population, so it is likely that the views of medium-sized businesses have heavily influenced some of these findings. These insights are important as larger SMEs are key supply chain participants and account for a disproportionate share of employment and economic activity. We appreciate, however, that the perspectives of larger and smaller SMEs can differ substantially.

Focus on advice

The EIU found that SMEs have mostly turned to their banks for advice during these difficult times – an interesting finding given the amount of animosity the crisis created between small businesses and banks in some of the worst-hit countries.[13] The EIU survey itself found that 82% of SMEs believed that banks were not doing enough, for instance, to pass on interest rate cuts.

To some extent, this marked contrast may be due to the size of the SMEs surveyed by the EIU. Medium-sized and larger firms with sufficient internal resources to maintain strong banking relationships have made a point of strengthening these during the downturn.[14] For smaller SMEs, however, this is not always the case: sources of advice vary widely and there is a need for mediators of the SME-bank relationship. These are most commonly accountants.[15]

Yet despite the constructive approach highlighted by the EIU findings, there is also evidence of a rift between banks and their SME customers, with the latter complaining of an increasingly formulaic, one-size-fits all approach to lending on the part of lenders that disadvantages new customers, those with complex needs and good businesses in industries associated with high risk. This is corroborated by recent research by the International Federation of Accountants (IFAC) and *The Banker*. The IFAC/*Banker* survey found that lenders do not value information industry trends and clients' business plans nearly as much as they do cashflow statements, collateral and transaction histories – and that this gap is set to widen over the next 1 - 2 years.[16] This could jeopardise the banking relationships of SMEs at a crucial time, as their bank managers are increasingly unable or unwilling to come to grips with the fundamentals of their clients.[17]

12 Open University Business School, "Quarterly Survey of Small Business in Britain Q3 2009" September 2009.
13 See for instance FPB and Graydon UK, 'Financial advice and smaller businesses' November 2008.
14 CFO Research Services, "The CFO's new environment" ACCA July 2009.
15 A. Berry, "Banks, SMEs and accountants – an international study of SMEs' banking relationships". ACCA Research Report no. 95, 2006.
16 IFAC/*The Banker* "Supporting small and medium-sized companies" in *The Banker*, October 2009
17 This trend and its effects on trust has already been documented, pre-credit crunch, by international survey findings in Berry, op. cit.

However, the IFAC/*Banker* survey also found that around 60% of lenders were likely to look more favourably upon SME loan applications when the would-be borrower had engaged the advice of a professional accountant.[18]

Not by debt alone

Though banks' appetite for lending and SMEs' appetite for borrowing may have ebbed, the capital needs of many SMEs remain the same; the levels of growth forecast in the EIU survey, while not dramatically high, will still require financing. So far, other providers of finance have not stepped in as banks withdrew from the SME market. Unless alternatives to bank lending are encouraged by policymakers, much of the growth envisaged by SMEs may not materialise. This will involve policymakers both encouraging supply, for instance through appropriate tax incentives for equity investors, and developing demand, by increasing awareness of these sources of finance among SMEs.

Small firms are cutting costs and improving cash management.

Given the twin pressures of the credit crunch and falling demand, it comes as no surprise that SMEs are looking to cut costs and stay on top of their cashflow. Failing customers, late payment and poor access to finance are placing substantial strain on SMEs' cash positions.

It is regrettable, however, that only a fraction of the cost-cutting efforts of SMEs are accompanied by a formal cost-cutting plan. Unless pursued strategically and in a disciplined manner, cost-cutting can damage the capabilities of the business as the recovery approaches. Because banks and other lenders will not be best positioned to advise on such programmes, accountants in both industry and public practice need to consider how they can best add value to the cost-cutting process.

The rediscovery of cash management makes customer and supplier relationships even more important. After cost-cutting, renegotiating payment terms with suppliers and customers were the most common responses to poor cashflow. Given the strength of supplier-customer relationships as emerges from the EIU findings, there could well be potential for further innovations in this area.

Although it has been a painful transition from easy credit to "cash is king", we welcome the finding that SMEs appear to be quickly learning the right lessons. The EIU survey found that, in 30% of cases, SMEs' cash positions were completely unaffected by the financial crisis. But for every SME that entered the downturn cash-rich and emerged cash-poor, two have done the reverse. The numbers of the latter (10%) are still low, but this partly reflects the magnitude of the challenge: credit rationing, where it has occurred, is a condition most entrepreneurs will be unfamiliar with, and, after years of easy credit, cash management skills are naturally lacking among many smaller businesses.

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18 IFAC/*The Banker*, ibid.

Finally, it is important to remember that cash management is no panacea. For some business models, external finance is very hard to substitute. Even among those SMEs that were the most confident about improving profitability, one in nine (11%) appear unable to survive without any external finance.

To preserve cash, SMEs are postponing investment.

While regrettable, the fact that so many SMEs are postponing investments in the face of weak demand and tough credit conditions is not surprising. Some investment that would have made sense in growing markets simply does not in shrinking ones. That said, survey evidence suggests market failure is also at play alongside more rational considerations, with substantial numbers of SMEs and their advisers seeing falling volumes of investment even where profitable opportunities have not dwindled. ACCA's Global Economic Conditions Survey recently found that 38% of SMEs/small to medium sized accounting practices had seen a decrease in the availability of capital without a corresponding decrease in the number of profitable investment opportunities.[19]

These trends could be self-defeating. Many sectors rely heavily on capital investment for growth and some SMEs rely on investment to generate demand for their products and services. Like employment, falling investment can contribute to a downward spiral. Because of this risk, it is encouraging to note the EIU's finding that many SMEs are determined to resume investment as soon as their respective economies begin to recover.

Another problem with postponing investment is that, without it, the employment and revenue forecasts anticipated by SMEs do not add up. The EIU findings further suggest that the prospect of strong revenue growth did not materially affect the probability of SMEs postponing investment. Although in past years some businesses may have developed business models predicated on easy credit, the fact remains that most of the finance sought by SMEs in the recovery will be used to support growth. This is illustrated by recent findings from CPA Australia's Asia-Pacific Small Business Survey, which found that financing business growth was the leading reason for seeking finance among SMEs in the rapidly recovering economies of Hong Kong, Singapore and Malaysia.[20]

19 ACCA "Global Economic Conditions Survey – Survey Report Q3 2009" August 2009
20 'The CPA Australia Asia-Pacific Small Business Survey 2009' CPA Australia 2009

SMEs expect conditions to improve by 2011.

The EIU study's findings on the recovery of finance supply are not very encouraging but they are hardly surprising. A recovery in 2011 is consistent with other international research.[21] These findings reinforce the need for governments to remain vigilant and avoid complacency – until 2011, the global economic recovery will most likely remain fragile.

Of course, there is substantial variation in the outlook for finance between regions, owing to the different characteristics of financial systems and varying economic conditions on the ground. In the Asia-Pacific region and Latin America, finance is expected to start flowing again at 2007 levels much sooner than elsewhere, further accelerating economic recovery in those regions. Past 2012, a relative abundance of liquidity in these regions compared to North America and Europe could perpetuate the global imbalances that preceded the credit crunch, further strengthening the capital flows from net savers to net borrowers.

Even within the regions facing a protracted credit crunch, there is substantial variation. 14% to 26% of the North American SMEs surveyed by the EIU expected the availability of different types of finance to fall further over the next two years. By contrast, CGA-Canada and Synovate found in their 2009 Survey that only 9% to 18% of Canadian SMEs expected the availability of finance to tighten over the next 12 months, depending on the specific type of financing.[22]

Other research, however, corroborates the EIU's broad regional findings. CPA Australia's Asia-Pacific Small Business Survey 2009 found that 41% of small businesses in Australia anticipated some difficulties in obtaining additional finance over the next 12 months. This share fell to 39% in Singapore, 28% in Malaysia and 24% in Hong Kong.[23]

It is, however, also worth noting the large number of SMEs that either don't expect the supply of credit to *ever* rebound or don't know when the recovery will come. These SMEs, a full 29% of the EIU sample[24], may have put investment on hold and many will be reconsidering their business plans altogether. But while the latter is, on balance, a positive trend, the former is a dangerous one. As we discussed in the previous section, investment is an important component of demand and depressed levels of investment, whether due to credit rationing or uncertainty about the future, could very well sap the strength of the recovery.

The SME views discussed above are driven largely by trends in bank lending. However, even as the sector adjusts to lower levels of debt finance, it could miss

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21 For example, ACCA's Global Economic Conditions Survey has consistently anticipated a stable global economic recovery around late 2010.
22 "The CGA-Canada Small Business Survey 2009" Synovate, September 2009
23 "The CPA Australia Asia-Pacific Small Business Survey 2009" CPA Australia September 2009
24 This percentage rises to 43% in North America, driven principally by the US sample.

out on a substantial opportunity. The supply of equity finance, whether from individual investors, institutions or friends and family, is expected to grow at a slower rate than bank lending – a negative development if the sector is to rebalance its finances while still achieving high rates of growth.

Some firms are poised for a new growth phase.

The EIU's findings suggest that many SMEs are ready to grow as soon as there are credible signs of a stable recovery. This is extremely welcome news, although as we have already discussed, there is always the possibility that a shortage of SME finance and a lack of investment by SMEs could jeopardise these growth prospects. But there are more constraints to SME growth besides capacity, and it is worth noting their effect on economic recovery.

Growing SMEs have different needs and face different challenges than less dynamic ones. While firms with low growth expectations (in turnover terms) are relatively more concerned about the macro-economic environment, growing SMEs are substantially more likely to be concerned with skills gaps in the labour market, competition and the burdens of regulation. Since the downturn began, government policy in many countries has shifted away from regulatory reform and towards more regulation, while skills policy has re-focused on pre-empting or reducing unemployment.

With the recovery hinging to a large extent on the performance of these dynamic SMEs, governments need to craft policies carefully, to ensure that they do not impose undue constraints on growing businesses. The regulatory reform and simplification agenda is as relevant now as it was in early 2007, offering even the most cash-strapped governments a tool for supporting SMEs. The skills agenda needs to respond to signs of real stability in the labour market, and shift its focus towards the goal of competitive advantage as soon as such signs emerge.

About ACCA

ACCA (the Association of Chartered Certified Accountants) is the global body for professional accountants. We aim to offer business-relevant, first-choice qualifications to people of application, ability and ambition around the world who seek a rewarding career in accountancy, finance and management.

We support our 131,500 members and 362,000 students throughout their careers, providing services through a network of 82 offices and active centres. Our global infrastructure means that exams and support are delivered – and reputation and influence developed – at a local level, directly benefiting stakeholders wherever they are based, or plan to move to, in pursuit of new career opportunities. Our focus is on professional values, ethics, and governance, and we deliver value-added services through 57 global accountancy partnerships, working closely with multinational and small entities to promote global standards and support.

We use our expertise and experience to work with governments, donor agencies and professional bodies such as the International Federation of Accountants (IFAC) to develop the global accountancy profession and to advance the public interest.

ACCA understands the real issues facing small businesses as 63,000 of our members work in SMEs or small partnerships worldwide. ACCA's theme for 2009-2010 is Accountants for Business. This theme emphasises the important roles accountants play in both the private and public sectors, promoting their role as advocates of sound business practices, champions of sustainable business development and identifiers of value drivers which lead to high-performing organisations.

About CGA-Canada

Founded in 1908, the Certified General Accountants Association of Canada is a self-regulating, professional association of 73,000 students and Certified General Accountants — CGAs.

CGAs work throughout the world in industry, commerce, finance, government, public practice and other areas where accounting and financial management is required. CGA clients range from major corporations and industries to entrepreneurs. Their expertise is valued in the public sector, government and the corporate world.

CGA-Canada represents CGAs and students in Canada, as well as Bermuda, the nations of the Caribbean, the People's Republic of China and Hong Kong. CGA-Canada sets educational standards, professional guidelines, provides services and develops the CGA Program of Professional Studies.

CGA-Canada contributes to national and international accounting standard setting through co-operative professional relationships with other accounting bodies, represents the interests of the public and CGAs, and serves as an advocate for accounting professional excellence.

About CPA Australia

CPA Australia is one of the world's largest accounting bodies with a membership of more than 122,000 finance, accounting and business professionals across the globe.

Our international presence continues to grow in terms of representation on international bodies and influence in the profession globally.

In areas of financial reporting, taxation and corporate governance we are thought leaders in Australia and internationally.

Education, training, technical support and advocacy are our core services for members. Staff and members work together with local and international bodies to represent the views and concerns of the profession to federal, state and territory governments and to regulators, industry, academia and the general public.