

CCAB LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2005

CCAB LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and the financial statements of the company for the year ended 31 December 2005.

REVIEW OF BUSINESS

The principal activities of the company during the year were designed to enable the members of the company to act in concert to promote the advancement of the effectiveness and standing of the accountancy profession of the United Kingdom and Republic of Ireland. The members will continue to promote the effectiveness and standing of the accounting profession in this way and contribute to the funding of the FRC during the course of 2006.

The members of the company are The Institute of Chartered Accountants in England and Wales, The Association of Chartered Certified Accountants, The Chartered Institute of Management Accountants, The Institute of Chartered Accountants of Scotland, The Chartered Institute of Public Finance and Accountancy and The Institute of Chartered Accountants in Ireland. The Institute of Chartered Accountants in England and Wales is the company's parent undertaking within the meaning of the Companies Act 1985. The other five members are each related undertakings.

There is a contract between the company and The Institute of Chartered Accountants in England and Wales to provide administrative and secretarial services to the company.

Under the constitution of the company, which is a non-profit making organisation, all costs incurred by the company are rechargeable to the shareholders.

During the year, the company made a charitable donation of £15,000 to Taxaid (2004: nil).

DIRECTORS

The directors set out in the table below have held office during the period.

<u>Name</u>	<u>Nominating Institute</u>	<u>Appointed</u>	<u>Resigned</u>
P Druckman ¹ JI Morris ²	The Institute of Chartered Accountants in England and Wales (ICAEW)	8 June 2005	8 June 2005
JRS Brace CT Forster	The Association of Chartered Certified Accountants (ACCA)	19 May 2005	19 May 2005
GR Kaye I Christison	The Chartered Institute of Management Accountants (CIMA)	11 June 2005	12 June 2005
I Robertson AM Hathorn	The Institute of Chartered Accountants of Scotland (ICAS)	22 April 2005	22 April 2005
MJ Barnes DM Colley	The Chartered Institute of Public Finance and Accountancy (CIPFA)	16 June 2005	16 June 2005
TF O'Rourke JP Greely	The Institute of Chartered Accountants in Ireland (ICAI)	6 May 2005	6 May 2005

No director had any interest in the share capital of the company during the year.

¹ Chairman until 8 June 2005

² Chairman from 8 June 2005

CCAB LIMITED

REPORT OF THE DIRECTORS (continued)

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ELECTIVE RESOLUTIONS

Elective resolutions have been passed for the purposes of:

- dispensing with laying of accounts and reports before general meeting;
- dispensing with the holding of an annual general meeting; and
- dispensing with the annual appointment of auditors.

AUDITORS

RSM Robson Rhodes LLP is appointed auditor of the company until such time as the company or the auditors otherwise determine in accordance with the elective resolution above.

By order of the board

E E Anstee
Secretary

Date:

CCAB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
CCAB LIMITED

We have audited the financial statements for the year ended 31 December 2005 on pages 4 to 8. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31 December 2005 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors
London, England

Date:

CCAB LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	2005 £	2004 £
Turnover		3,980,446	3,114,278
Services supplied or paid for by parent undertaking	8	3,980,446	3,114,278
Profit on ordinary activities before taxation		<u>-</u>	<u>-</u>
Taxation	3	<u>-</u>	<u>-</u>
Result for the financial year	2,7	<u><u>-</u></u>	<u><u>-</u></u>

All activities are continuing.

The company has no recognised gains and losses for the two years ended 31 December 2005.

The notes on pages 6 to 8 form part of these financial statements.

CCAB LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2005

	Note	£	2005 £	£	2004 £
Current assets					
Debtors	4	928,170		791,270	
Cash at bank		<u>1,000</u>		<u>1,000</u>	
			929,170		792,270
Creditors: amounts falling due within one year					
	5		928,170		791,270
Net current assets					
			<u>1,000</u>		<u>1,000</u>
Capital and reserves					
Called up share capital	6		1,000		1,000
Profit and loss account			<u>-</u>		<u>-</u>
			<u>1,000</u>		<u>1,000</u>
Approved by the board on 2006.					

J I Morris
Director

Date:

The notes on pages 6 to 8 form part of these financial statements.

CCAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2005

1. **ACCOUNTING POLICIES**

a. **Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

b. **Turnover**

Turnover represents costs recoverable from members.

2. **RESULT FOR THE FINANCIAL YEAR**

The result for the financial year is stated after incurring costs for services supplied by the parent undertaking. CCAB Limited incurred no other charges and has no employees.

Other than as part of the service charge, there is no direct charge for the following:

Auditors' remuneration
Staff costs
Directors' remuneration
Interest payable

There is no contract of service between the company and the directors.

The parent undertaking incurs no employment costs of the directors, but does reimburse incidental expenses. These are charged to the company as part of the service charge.

3. **TAXATION**

No provision has been made for taxation (2004 - £nil) on the basis that the company does not fall within the charge to corporation tax as it does not trade and is non-profit making.

4. **DEBTORS**

	2005	2004
	£	£
Amounts due from parent undertaking	435,238	163,405
Other debtors – amounts due from related undertakings	492,932	627,865
	<u>928,170</u>	<u>791,270</u>

CCAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2005

5. **CREDITORS: amounts falling due within one year**

	2005	2004
	£	£
Income in advance	858,901	773,517
Creditors – amounts due to related undertaking	12,414	6,927
Accruals	56,855	10,826
	<u>928,170</u>	<u>791,270</u>

6. **CALLED UP SHARE CAPITAL**

	2005	2004
	£	£
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

7. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2005	2004
	£	£
Result for the financial year	-	-
Opening shareholders' funds	1,000	1,000
Closing shareholders' funds	<u>1,000</u>	<u>1,000</u>

CCAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2005

8. RELATED PARTY TRANSACTIONS

There is an agreement between the company and The Institute of Chartered Accountants in England and Wales (ICAEW), which is a member of the company, to provide administrative and secretarial services to the company.

The total value of the company's transactions which amounted to £3,980,446 (2004: £3,114,278) were borne in the first instance by the ICAEW and were then recharged to the company. The company's entire income is derived from its parent company and related undertakings as follows:

Group	ICAEW	ACCA	CIMA	ICAS	CIPFA	ICAI	Total
FRC	1,479,961	873,781	573,019	133,013	91,474	161,253	3,312,501
FEE	123,141	72,010	62,505	14,344	13,646	-	285,646
IFAC	92,396	-	46,899	10,762	10,239	11,719	172,015
Ethics Group	21,986	12,857	11,160	2,561	2,436	2,789	53,789
IAASB	8,473	4,955	4,301	987	939	1,075	20,730
Administration	47,873	27,938	24,251	5,565	5,294	6,060	116,981
CPD Conference	7,678	4,490	3,897	894	851	974	18,784
2005 total	1,781,508	996,031	726,032	168,126	124,879	183,870	3,980,446
2004 total	1,493,799	670,841	567,975	138,887	85,722	157,054	3,114,278

At the end of the year, the following amounts were owed by/(owed to) the parent and related parties:

	2005	2004
	£	£
ICAEW	435,238	163,405
ACCA	135,269	125,124
CIMA	240,338	341,715
ICAS	53,672	71,626
CIPFA	(12,414)	(6,927)
ICAI	63,653	89,400

9. PARENT UNDERTAKING

The company considers itself to be a subsidiary as defined by the Companies Act 1985. The majority shareholder is The Institute of Chartered Accountants in England and Wales (the Institute), a body incorporated under Royal Charter. In the financial statements of the Institute, which are prepared under International Financial Reporting Standards, the company is treated as an associate as the Institute does not have the power to control the company.