

CCAB LIMITED

DIRECTORS' REPORT

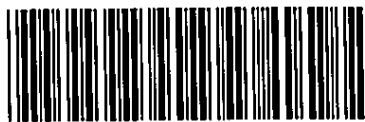
AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2008

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CCAB LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and the financial statements of the company for the year ended 31 December 2008.

ACTIVITIES AND 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 2009.

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 majority shareholder within the meaning of the Companies Act 1985.

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.

The company made no charitable donations during the year (2007: £Nil).

DIRECTORS

The directors set out in the table below have held office during the period and to the date of this report.

<u>Name</u>	<u>Nominating Institute</u>	<u>Appointed</u>	<u>Resigned</u>
R G Dyson ¹ D A Furst ²	The Institute of Chartered Accountants in England and Wales	4 June 2008	4 June 2008
G Ball R Aitken-Davies B McEnery	The Association of Chartered Certified Accountants	15 May 2008 21 May 2009	15 May 2008 21 May 2009
J G Grant G M Lowth	The Chartered Institute of Management Accountants	14 June 2008	14 June 2008
I N Sharp G F W Allison J D Nisbet	The Institute of Chartered Accountants of Scotland	18 April 2008 17 April 2009	18 April 2008 17 April 2009
J Butler C Mawhood	The Chartered Institute of Public Finance and Accountancy	17 June 2008	17 June 2008
V Sheridan J Aiken T Fitzpatrick	The Institute of Chartered Accountants in Ireland	9 May 2008 22 May 2009	9 May 2008 22 May 2009

¹ Chairman until 4 June 2008

² Chairman from 4 June 2008

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 International 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.

Each person who is a Director at the date of approval of this report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- Each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of Section 234ZA of the Companies Act 1985.

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

Grant Thornton UK 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.

SMALL COMPANY PROVISION

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies.

By order of the board



M D M Izza
Secretary

Date: 3/6/09

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF

CCAB LIMITED

We have audited the financial statements of CCAB Limited for the year ended 31 December 2008 which comprise the principal accounting policies, the income statement, the balance sheet, the cash flow statement, the statement of recognised income and expense and notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

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 whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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 IFRSs as adopted by the European Union, of the state of the company's affairs as at 31 December 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 applicable to small companies; and
- the information given in the Directors' Report is consistent with the financial statements.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

London, England

Date 10/6/09

CCAB LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 £
Revenue		4,748,554	4,443,611
Administrative expenses	9	(4,748,554)	(4,443,611)
Result on ordinary activities before taxation		<hr/> -	<hr/> -
Taxation	3	<hr/> -	<hr/> -
Result for the financial year	2,8	<hr/> -	<hr/> -

CCAB LIMITED

**STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE
YEAR ENDED 31 DECEMBER 2008**

	Notes	2008 £	2007 £
Net result for the financial year		-	-
Net gains not recognised in the income statement		-	-
Total recognised income and expense for the year		-	-

CCAB LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 £	2007 £
Assets			
Current assets			
Trade and other receivables	4	1,040,751	1,014,300
Cash and cash equivalents	5	<u>1,000</u>	<u>1,000</u>
Total assets		<u>1,041,751</u>	<u>1,015,300</u>
Liabilities			
Current Liabilities			
Trade and other payables	6	<u>(1,040,751)</u>	<u>(1,014,300)</u>
Total liabilities		<u>(1,040,751)</u>	<u>(1,014,300)</u>
Total net assets		<u>1,000</u>	<u>1,000</u>
Shareholders' equity			
Ordinary shares	7	<u>1,000</u>	<u>1,000</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on

Droid Fcat

Director

3/6/09.

CCAB LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	2008 £	2007 £
Cash flows from operating activities			
Result before taxation		-	-
Increase in other receivables		(26,451)	(6,400)
Increase in other payables		26,451	6,400
Net cash generated from operating activities		-	-
Net increase in cash and cash equivalents in the year		-	-
Net cash and cash equivalents at 1 January		1,000	1,000
Net cash and cash equivalents at 31 December	5	1,000	1,000

CCAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2008

1. ACCOUNTING POLICIES

a. Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted for use in the European Union, and under the historical cost convention.

The company has adopted all relevant standards effective for accounting periods beginning on or after 1 January 2008.

At the date of authorisation of these financial statements, the following standards and interpretations were in issue, but not yet effective:

Standard or interpretation	Effective from
IAS 1 Presentation of Financial Statements (revised 2007)	1 January 2009
IAS 23 Borrowing Costs (revised 2007)	1 January 2009
Amendment to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
IAS 27 Consolidated and Separate Financial Statements (Revised 2008)	1 July 2009
Amendment to IFRS 2 Share-based Payment - Vesting Conditions and Cancellations	1 January 2009
Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements - Costs of Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
Amendment to IAS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items	1 July 2009
IFRS 3 Business Combinations (Revised 2008)	1 July 2009
IFRS 8 Operating Segments	1 January 2009
IFRIC 15 Agreements for the Construction of Real Estate	1 January 2009
IFRIC 16 Hedges of a Net Investment in a Foreign Operation	1 October 2008
IFRIC 17 Distributions of Non-cash Assets to Owners	1 July 2009

It is considered that, with the exception of IAS1 Presentation of Financial Statements, which affects disclosure and not the financial information or accounting policies, these do not apply to the company.

b. Critical estimates and judgements

To be able to prepare financial statements according to generally accepted accounting principles, management and the board must make estimates and assumptions that affect the recorded asset and liability items as well as other information. These estimates are based on historical experience and various other assumptions that management and the board believe are reasonable under the circumstances. The results of these form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

c. Revenue

Revenue is measured by reference to the fair value of consideration received for services provided and is stated net of VAT where applicable. Revenue is recognised upon the performance of services or transfer of risk to the customer. Revenue represents amounts receivable from related undertakings.

CCAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2008

d. Financial assets

Financial assets comprise loans and receivables, which consists of trade and other receivables. All financial assets are recognised when the company becomes a party to the contractual provisions of the instrument and are recognised at fair value plus transaction costs. Any change in their value through impairment or reversal of impairment is recognised in the income statement.

Provision against trade receivables is made when there is objective evidence that the company will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

e. Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the company becomes a party to the contractual provisions of the instrument. All financial liabilities are recorded at fair value, net of direct issue costs.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

f. Cash and cash equivalents

Cash and cash equivalents represent balances held with banks.

g. Equity

Equity comprises share capital which represents the nominal value of equity shares.

h. Segmental analysis

In the opinion of the Board, the company has no separately reportable business segments. There are also no geographic segments to report as operations are based solely in the UK.

i. Financial risk management

Currency risk. All of the company's transactions are carried out in sterling.

Credit risk. Working capital is provided by the ICAEW. The credit risk for cash and cash equivalents is considered negligible. The maximum exposure to credit risk at the balance sheet date is represented by the carrying value of financial assets including financial instruments.

Liquidity and interest rate risk. The company does not have significant exposure to interest rate fluctuations or liquidity risk. Liquidity needs are monitored on a day to day basis.

CCAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2008

2. OPERATING RESULT

The result for the financial year is stated after incurring costs for services supplied by the related undertaking (majority shareholder) of £119,541 (2007: £137,018) and charges from external bodies. 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

The amount paid to auditors in respect of audit services, included in the service charge paid to the related undertaking, was £1,854 (2007: £1,821).

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

The related undertaking (majority shareholder) 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 (2007 - £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. TRADE AND OTHER RECEIVABLES

Amounts were due from the following related undertakings:

	2008	2007
	£	£
ICAEW	405,354	389,400
ACCA	304,040	292,500
CIMA	203,228	201,694
ICAS	41,132	42,602
ICAI	59,077	59,178
CIPFA	27,920	28,926
	<u>1,040,751</u>	<u>1,014,300</u>

Trade and other receivables relate to contributions due from member bodies towards the cost of operating the company, and are short term. The carrying value of trade receivables is considered a reasonable approximation of fair value.

5. CASH AND CASH EQUIVALENTS

	2008	2007
	£	£
Cash at bank	<u>1,000</u>	<u>1,000</u>

CCAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2008

6. TRADE AND OTHER PAYABLES

	2008	2007
	£	£
Accruals	45,085	102,054
Deferred income	995,666	912,246
	<u>1,040,751</u>	<u>1,014,300</u>

All the above trade and other payables are short term. The carrying values are considered to be a reasonable approximation of fair value.

7. CALLED UP SHARE CAPITAL

	2008	2007
	£	£
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Issued and fully paid 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

8. SHAREHOLDERS' FUNDS

	2008	2007
	£	£
Shareholders' funds at 1 January and 31 December	<u>1,000</u>	<u>1,000</u>

CCAB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2008

9. 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 £4,748,554 (2007: £4,443,611) 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 related undertakings as follows.

	ICAEW	ACCA	CIMA	ICAS	CIPFA	ICAI	Total
FRC	1,626,534	1,116,621	686,863	138,288	87,919	227,156	3,883,381
FEE	168,690	111,810	96,370	21,152	18,589	-	416,611
IFAC	112,968	-	64,536	14,165	12,448	17,146	221,263
Administration	45,601	30,227	26,050	5,717	5,026	6,920	119,541
Ethics Group	23,679	15,695	13,527	2,969	2,610	3,593	62,073
Anti-Money Laundering	16,599	11,002	9,482	2,081	1,829	2,519	43,512
Education (POB)	829	549	473	105	91	126	2,173
2008 Total	1,994,900	1,285,904	897,301	184,477	128,512	257,460	4,748,554
2007 Total	1,856,239	1,192,750	840,979	181,847	126,904	244,892	4,443,611

10. MAJORITY SHAREHOLDER

The majority shareholder of CCAB is the ICAEW, a body incorporated under Royal Charter. Although the ICAEW is the majority shareholder it does not have the majority of voting shares on the board. Therefore the directors of CCAB do not regard the ICAEW as the ultimate parent company because it does not control the company. Likewise, in the financial statements of the ICAEW, which are prepared under International Financial Reporting Standards, the company is treated as an associate as the ICAEW does not control the company.