

CCAB LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2009

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REPORT OF THE DIRECTORS

The directors submit their report and the financial statements of the company for the year ended 31 December 2009

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 Financial Reporting Council (FRC) during the course of 2010.

The members of the company are The Institute of Chartered Accountants in England and Wales (ICAEW), The Association of Chartered Certified Accountants (ACCA), The Chartered Institute of Management Accountants (CIMA), The Institute of Chartered Accountants of Scotland (ICAS), The Chartered Institute of Public Finance and Accountancy (CIPFA) and The Institute of Chartered Accountants in Ireland (ICAI). ICAEW is the majority shareholder within the meaning of the Companies Act 1985. There is a contract between the company and ICAEW 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. Costs are recharged to the shareholders on the basis of an agreed formula.

The formula for funding the FRC was subject to review for 2010 onwards. As at the date of signing this report, discussions are ongoing. The FRC has powers to levy the individual bodies for its costs. On this basis, the directors consider that the going concern basis remains appropriate.

The company made no charitable donations during the year (2008: £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>
D A Furst ¹ M J Hagen ² G W Russell ³	The Institute of Chartered Accountants in England and Wales (ICAEW)	3 June 2009 9 June 2010	3 June 2009 9 June 2010
R Aitken-Davies B McEnery	The Association of Chartered Certified Accountants (ACCA)	21 May 2009	21 May 2009
G M Lowth A E A Joachim G McI Glass	The Chartered Institute of Management Accountants (CIMA)	6 June 2009 5 June 2010	6 June 2009 5 June 2010
G F W Allison J D Nisbet A M Thomson	The Institute of Chartered Accountants of Scotland (ICAS)	17 April 2009 23 April 2010	17 April 2009 23 April 2010
C Mawhood R A Latham J Meekings Davis	The Chartered Institute of Public Finance and Accountancy (CIPFA)	23 June 2009 8 June 2010	23 June 2009 8 June 2010
J Aiken T Fitzpatrick P O'Connor	The Institute of Chartered Accountants in Ireland (ICAI)	22 May 2009 21 May 2010	22 May 2009 21 May 2010

¹ Chairman to 3 June 2009

² Chairman from 3 June 2009 to 9 June 2010

³ Chairman from 9 June 2010

CCAB LIMITED

REPORT OF THE DIRECTORS (continued)

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). The financial statements are required by law to 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 are required to

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- ensure IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that 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 2006. 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.

In so far as each of the directors is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

In preparing this report, the directors have taken advantage of the small companies exemption in Part 15 of the Companies Act 2006.

By order of the board



Michael D M Izza
Secretary

Date 24 September 2010

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CCAB LIMITED

We have audited the financial statements of CCAB Limited for the year ended 31 December 2009 which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its result for the year then ended,
- have been properly prepared in accordance with IFRS as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Judith Newton
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

24 September 2010

CCAB LIMITED**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 £	2008 £
Revenue		5,605,211	4,748,554
Administrative expenses	8	(5,605,211)	(4,748,554)
Result on ordinary activities before taxation		<u>-</u>	<u>-</u>
Taxation	3	<u>-</u>	<u>-</u>
Total comprehensive income for the year	2	<u>-</u>	<u>-</u>

CCAB LIMITED**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009**

	Note	2009 £	2008 £	2007 £
Assets				
Current assets				
Trade and other receivables	4	1,217,907	1,040,751	1,014,300
Cash and cash equivalents	5	982	1,000	1,000
Total assets		<u>1,218,889</u>	<u>1,041,751</u>	<u>1,015,300</u>
Liabilities				
Current Liabilities				
Trade and other payables	6	<u>(1,217,889)</u>	<u>(1,040,751)</u>	<u>(1,014,300)</u>
Total liabilities		<u>(1,217,889)</u>	<u>(1,040,751)</u>	<u>(1,014,300)</u>
Total net assets		<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Shareholders' equity				
Ordinary shares	7	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

In preparing this report, the directors have taken advantage of the small companies exemption in Part 15 of the Companies Act 2006

Approved by the board on 24 September 2010



Gerald W Russell
Director

CCAB LIMITED**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2009**

	Notes	2009 £	2008 £
Cash flows from operating activities			
Result before taxation		-	-
Increase in other receivables		(177,156)	(26,451)
Increase in other payables		177,138	26,451
Net cash from operating activities		(18)	-
Net decrease in cash and cash equivalents in the year		(18)	-
Net cash and cash equivalents at 1 January		1,000	1,000
Net cash and cash equivalents at 31 December	5	982	1,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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

New standards and interpretations currently in issue but not effective for accounting periods commencing on 1 January 2009 are

Standard or interpretation	Effective from
IFRS 1 <i>First time adoption of IFRS</i> (revised)	1 July 2009
Amendment to IFRS 1 <i>Additional Exemptions for First-time Adopters</i>	1 January 2010
Amendment to IFRS 2 <i>Group Cash-settled Share-based Payment Transactions</i>	1 January 2010
Amendment to IAS 39 <i>Financial Instruments Recognition and Measurement - Eligible Hedged Items</i>	1 July 2009
IFRS 3 <i>Business Combinations</i> (revised)	1 July 2009
Amendment to IAS 27 <i>Consolidated and Separate Financial Statements</i>	1 July 2009
IFRIC 12 <i>Service Concession Arrangements</i>	30 March 2009
IFRIC 15 <i>Agreements for the Construction of Real Estate</i>	1 January 2010
IFRIC 16 <i>Hedges of a Net Investment in a Foreign Operation</i>	1 July 2009
IFRIC 17 <i>Distribution of Non-cash Assets to Owners</i>	1 November 2009
IFRIC 18 <i>Transfers of Assets from Customers</i>	1 November 2009

It is considered that 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

2 OPERATING RESULT

The result for the financial year is stated after incurring costs for administration services supplied by the related undertaking (majority shareholder) of £131,086 (2008 £119,541) and charges related to 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 £1,869 (2008 £1,854)

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 (2008 - £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

	2009	2008	2007
	£	£	£
ICAEW	914,535	405,354	389,400
CIMA	232,956	203,228	201,694
ICAI	70,416	59,077	59,178
ACCA	-	304,040	292,500
ICAS	-	41,132	42,602
CIPFA	-	27,920	28,926
	<u>1,217,907</u>	<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

	2009	2008	2007
	£	£	£
Cash at bank	<u>982</u>	<u>1,000</u>	<u>1,000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009
6 TRADE AND OTHER PAYABLES

	2009 £	2008 £	2007 £
Accruals	49,011	45,085	102,054
Amounts due to related undertakings	43,878	-	-
Deferred income	1,125,000	995,666	912,246
	<u>1,217,889</u>	<u>1,040,751</u>	<u>1,014,300</u>

Amounts were due to the following related undertakings

	2009 £	2008 £	2007 £
ACCA	31,867	-	-
ICAS	6,217	-	-
CIPFA	5,794	-	-
	<u>43,878</u>	<u>-</u>	<u>-</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

	2009 £	2008 £	2007 £
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<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>	<u>1,000</u>

8 RELATED PARTY TRANSACTIONS

There is an agreement between the company and 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 £5,605,211 (2008 £4,748,554) 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	1,979,926	1,330,152	819,214	162,556	98,862	270,237	4,660,947
FEE	182,103	125,766	107,776	21,501	20,019	-	457,165
IFAC	122,527	-	72,517	14,464	13,471	19,910	242,889
Administration	49,040	33,871	29,025	5,791	5,391	7,969	131,087
Ethics Group	24,729	17,079	14,636	2,920	2,719	4,018	66,101
Anti-Money Laundering	16,776	11,586	9,929	1,981	1,844	2,726	44,842
Education (POB)	816	563	483	95	90	133	2,180
2009 Total	<u>2,375,917</u>	<u>1,519,017</u>	<u>1,053,580</u>	<u>209,308</u>	<u>142,396</u>	<u>304,993</u>	<u>5,605,211</u>
2008 Total	<u>1,994,900</u>	<u>1,285,904</u>	<u>897,301</u>	<u>184,477</u>	<u>128,512</u>	<u>257,460</u>	<u>4,748,554</u>

9 MAJORITY SHAREHOLDER

The majority shareholder of CCAB Limited 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 Limited 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.