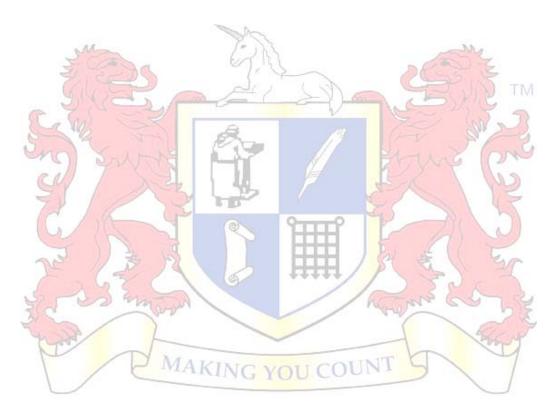


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## THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD

ABN: 20 115 901 945



# Annual Financial Report For The Year Ended 31 December 2006

### THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD

### **31 December 2006**

ABN: 20 115 901 945

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### THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD ABN: 20 115 901 945 DIRECTORS' REPORT

The directors present this their first report on the company for its first the financial year ended 31 December 2006.

The names of directors in office at any time during or since the end of the year are:

Matthew James Addison (appointed 2/02/06) Garry Peter Carter (appointed 23/08/05) James Peter Thomas Carter (appointed 23/08/05) June Marie Carter (appointed 23/08/05) John David Birse (appointed 22/12/06)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### **Company Secretary**

The following person held the position of company secretary at the end of the financial year:

Matthew Addison — B Ec., ACA, FICB. Matthew Addison has worked for The Institute of Certified Bookkeepers Ltd since the commencement of operations, performing management, Company Secretary & Executive Director roles in the Association. He was appointed company secretary on 4th December 2006.

#### **Principal Activities**

The principal activities of the entity during the financial year were:

member based professional association for bookkeepers;

There were no significant changes in the nature of the entity's principal activities during the financial year.

#### **Operating Results**

The company is a not for profit organisation. The operations of the company for the year generated a net deficit of \$20,566

#### **Dividends**

As stated in the constitution; "No payment of dividends or other distributions to members shall be made." accordingly no dividends were paid or declared since the start of the financial year and no recommendation for payment of dividends has been or will be made.

#### **Going Concern**

Notwithstanding the deficiency of net assets, the financial report has been prepared on a going concern basis as the directors have received a guarantee of continued financial support and the directors believe that such financial support will continue to be made available.

#### **Review of Operations**

#### **Professional Association**

In this inaugral year of operation, the Institute of Certified Bookkeepers(ICB) has commenced to bring together bookkeepers and the bookkeeper industry with a true emphasis on a positive development to all levels of the bookkeeping industry. ICB recognises that different skills exist within the bookkeeping profession and it seeks to work with all bookkeepers to provide a recognition of current skills and a development pathway for bookkeepers to develop their professionalism as appropriate.

The overall operational deficit is within expectations for this operation in this initial year. With the continued sponsorship and support of the guaranteeing member and the directors, the financial deficit is not considered a concern to the ability for the continued operations.

#### Membership

ICB currently recognises 4 levels of bookkeeper membership, appreciating the different skills and competence of bookkeepers. Cognisant of the different needs of bookkeepers in business, ICB awards its practicing certificate to appropriate bookkeepers.

As at the date of this report ICB has a total of 396 admitted members. This membership is represented by 33 Fellows, 291 Members, 26 Associates, 10 Affiliate, 36 Students. A further 67 applications have been received and we are in the process of verifiying suitability for membership.

#### Accreditation of skills

ICB recognises skills and competence through certification by qualified accountants, recognition of approved recent education or through the conduct of ICB assessments of bookkeeping skill. To date ICB has awarded 135 certificates across the 3 levels of accreditation as a result of the ICB assessment process.

#### Support by the bookkeeping industry

ICB is privileged to continue to receive support and involvement of significant and well established groups within the bookkeeper industry. The ongoing support of MYOB, Quicken, Jims Bookkeeping, Australian Bookkeepers Network and assisted by increasing involvement within ICB of further franchise bookkeeper organisations, bookkeeper individuals, software solutions providers, related and relevant groups; ICB continues into 2007 to grow in its role to assist bookkeepers to help bookkeepers and to assist in the journey of professionalism for bookkeepers.

#### **Board of Advisors**

The operations of ICB in Australia are guided and directed by the Advisory Board. The Advisory Board is in its formative stages with Mr John Birse (Chairman of Franchise Bookkeeping Assocaiation of Australia), Mr Rick Freitag; Resources & Networks Director for ICB (usergroups.com.au), Mr Matthew Addison (Executive Director of ICB) and Helen Harrison (Administrator of ICB) making up the current permanent members.

#### **Financial Position**

The net deficit in equity of the company as at balance date is due to the excess of operational costs in this first year. Trade Payables are supported by the Executive Director.

The directors believe the company will correct the current deficit and future operations will bring the company to a strong and stable financial position enabling ongoing expansion and growth in its current operations.

#### **After Balance Date Events**

There are no significant nor reportable after balance date events.

#### **Future Developments, Prospects and Business Strategies**

To further improve the entity's position and maximise member benefit, the following developments are intended to be implemented in the near future:

- (i) enhancement of regional networking of bookkeepers in their local geographical area. The intention is to arrange for groups of bookkeepers to meet for the purpose of development, education, communication and support.
- (ii) sourcing all aspects of resources, tools and solutions to enable the development of a proper journey to professionalism for bookkeepers. This includes creation of the appropriate networks of suppliers and information providers to assist bookkeepers.

#### **Environmental Issues**

The bookkeeper industry is rapidly becoming formalised and structured. With the governments stated regulation of a segment of the bookkeeper industry, the "BAS Service Provider" or BSP, assisting in the formalisation of standards, education requirements and code of conduct.

#### Information on Directors

Matthew James Addison — Executive Director

Qualifications — B Ec., ACA, FICB, MYOB Certified Consultant

Experience — Partner in Accounting Practice & Bookkeeping Business since 1993,

Bookkeeping Consultant since 1992 and trainer since 1999

Special Responsibilities — Chief Executive Officer

Directorships held in other listed entities — None

Garry Peter Carter — Chairman

Qualifications — FCI., FICB(Hon)., FBMA

Experience — Founder & Chairman of ICB Global & ICB UK, Chief Executive The

Association of Certified IT Professionals (UK), Chairman The Institute

of Commerce (UK)

Directorships held in other listed entities — Director of ICB Global & related entities, Director of The Genesis

Senate (UK)\

James Peter Thomas Carter — Director

Qualifications—FCI., FCITP., FICB(Hon). (all UK)Experience—10 years invovlement in ICB UKSpecial Responsibilities—Operations consulting to ICB Australia

Directorships held in other listed entities — ICB Global

June Marie Carter — Director

Qualifications — FCI., FICB(Hon).,

Experience — 10 years management of ICB UK Special Responsibilities — Chief Operations Office (UK)

Directorships held in other listed entities — ICB Global

John David Birse — Director

Qualifications — B.Ec., Dip.Ed., MBA(Subs)

Experience — Divisional Franchisor Jims Bookkeeping, Chairman FBAA, 30 years

involvement in Education

Special Responsibilities — Advisory Board member, Educational consultant

Directorships held in other listed entities — None

#### REMUNERATION REPORT

This report details the nature and amount of remuneration for each director of. The Institute of Certified Bookkeepers Limited, and for the executives receiving the highest remuneration.

The only director or executive receiving remuneration during the year is Mr Matthew Addison who is paid through provision of his services on a contract basis by businesses associated with Mr Addison. He is paid at a commercial rate for time charged.

#### Details of remuneration for year ended 31 December 2006

The remuneration for each director during the year was as follows:

#### Directors

Matthew James Addison

Paid on contract basis to business employing this director amounting to \$58,947

Garry Peter Carter

James Peter Thomas Carter

SNII

June Marie Carter

SNII

John David Birse

SNII

#### Meetings of Directors

During the financial year, a number of meetings of directors were held by teleconference.

	Directors' Meetings		Committee Meetings			
			Audit		Advisory Board	
	Number eligible to attend	Number attended		Number attended	Number eligible to attend	Number attended
Matthew James Addison	2	2	1	1	2	2
Garry Peter Carter	3	3	1	1	_	_
James Peter Thomas Carter	3	3	-		_	-
June Marie Carter	3	3	_			-
John David Birse	-	-		_	1	1

#### Indemnifying Officers or Auditor

During or since the end of the financial year the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums to insure each of the following directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

#### Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

#### Non-audit Services

No non-audit services were provided by the auditors during the year

#### Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2006 has been received and can be found on page 5 of the directors' report.

Signed in accordance with a resolution of the Board of Directors

Director

Garry Peter Carter

Matthew James Addison

Dated this

2007

# AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD ABN: 20 115 901 945

I declare that, to the best of my knowledge and belief, during the year ended 31st December 2006, there have been –

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

E. F. McPHAIL & PARTNERS

38 Ellingworth Parade, Box Hill, Victoria, 3128

WAYNE C. DURDIN

27th April 2007

	Note	2006 \$
Revenue	2	193,040
Membership Based Direct Costs		(51,714)
Bank Charges		(2,942)
Office Costs		(24,045)
Marketing		(42,911)
Travel Expenses		(3,390)
Wages & Salaries		(86,062)
Insurance	_	(2,542)
Profit before income tax		(20,566)
Income tax expense	_	-
Profit from continuing operations	=	(20,566)

The accompanying notes form part of these financial statements.

# THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD ABN: 20 115 901 945 BALANCE SHEET AS AT 31 DECEMBER 2006

	Note	2006 \$
ASSETS CURRENT ASSETS	-	0.700
Cash and cash equivalents Trade and other receivables	5 6	2,726 2,103
TOTAL CURRENT ASSETS		4,829
NON-CURRENT ASSETS Trade and other receivables Property, plant and equipment	6 7	2,930 15,859
TOTAL NON-CURRENT ASSETS		18,789
TOTAL ASSETS		23,618
CURRENT LIABILITIES Trade and other payables Current tax liabilities	8 9	42,620 1,564
TOTAL CURRENT LIABILITIES		44,184
TOTAL LIABILITIES		44,184
NET ASSETS		(20,566)
EQUITY Guarantee Reserves Retained earnings	10	- - (20,566)
TOTAL EQUITY		(20,566)

The accompanying notes form part of these financial statements.

#### THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD ABN: 20 115 901 945 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2006

	General Reserves	Total
	\$	\$
Transfers to retained earnings	(20,566)	(20,566)
Balance at 31 December 2006	(20,566)	(20,566)

	Note	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES Receipts from customers Payments to suppliers and employees Interest received		194,583 (176,019) 21
Net cash provided by (used in) operating activities	14a	18,585
CASH FLOWS FROM INVESTING ACTIVITIES Purchase of property, plant and equipment		(15,859)
Net cash provided by (used in) investing activities		(15,859)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash provided by (used in) financing activities	•	-
Net increase in cash held		2,726
Cash at end of financial year	5	2,726

The accompanying notes form part of these financial statements.

#### Note 1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers The Institute of Certified Bookkeepers Ltd . The Institute of Certified Bookkeepers Ltd is a public company Limited by Guarantee, incorporated and domiciled in Australia.

The financial report of The Institute of Certified Bookkeepers Ltd complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **Basis of Preparation**

These accounts are the first financial statements of the company.

The accounting policies set out below have been consistently applied to all years presented. The entity has however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement.

#### Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### **Accounting Policies**

#### (a) Income Tax

Non-member income of the association is only assessable for tax, as member income is excluded under the principle of mutuality.

#### (b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

#### Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

#### Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset Depreciation Rate

Plant and equipment 30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

#### (c) Financial Instruments

#### Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

#### Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments.

#### **Financial liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

#### Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arms length transactions, reference to similar instruments and option pricing models.

#### Impairment

At each reporting date, the entity assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

#### (d) Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### (e) Intangibles

#### Goodwill

Goodwill are initially recorded at the amount by which the purchase price for a business exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

#### Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life.

#### Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

#### (f) Foreign Currency Transactions and Balances

#### **Functional and presentation currency**

The functional currency of the entity is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

#### (g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

#### (h) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

#### (i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

#### (j) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

#### (k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### (I) Comparative Figures

No comparative figures are shown due to the commencement of the company during this reporting period.

#### (m) Rounding of Amounts

No rounding of amounts has been applied in these accounts

#### Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

#### Key estimates — Impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

#### Note 2 Revenue

	Note	2006 \$
Operating activities  — Sale of goods  — Interest received  — Membership Fees  — Examination Fees  — Training Centre  — ICB Global Sponso Total Revenue	2(a) orship	119 21 113,128 11,436 182 68,154 193,040
<ul><li>(a) Interest revenue from:</li><li>— other corporations</li><li>— other persons</li><li>Total interest revenue</li></ul>		21

#### Note 3 Key Management Personnel Compensation

(a) Names and positions held of economic and parent entity key management personnel in office at any time during the

Key Management Person Position

Matthew James Addison (appointed 2/02/06) Executive Director / Company Secretary

Garry Peter Carter (appointed 23/08/05) Director / Chairman

James Peter Thomas Carter (appointed 23/08/05)

June Marie Carter (appointed 23/08/05)

John David Birse (appointed 22/12/06)

Helen Harrison

Director

Director

Administrator

#### (b) Key Management Personnel Compensation

The board's policy for determining the nature and amount of compensation of key management for the group is as follows:

The compensation structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the company. The contracts for service between the company and key management personnel are

on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement. Key management personnel are paid a percentage of between 0-10% of their salary in the event of redundancy.

Executive Director Matthew Addison provides services to the company via a business associated with Matthew. The amount of contract remuneration for service is included below

			FUSI		
		Short-term benefits	Employment Benefits	Total	Performance related
		Cash, salary & commissions	Super -annuation		
(c)	2006	\$	\$	\$	%
	Matthew James Addison	58,947	-	58,947	0.00%
	Garry Peter Carter	-	-	-	0.00%
	James Peter Thomas Carter	-	-	-	0.00%
	June Marie Carter	-	-	-	0.00%
	John David Birse	-	-	-	0.00%
	Helen Harrison	20,384	1,880	22,264	0.00%
		79,331	1,880	81,211	<u>-</u> '
					<b>-</b>

		2006
Note 4	4 Auditors' Remuneration	
	emuneration of the auditor of the entity for:  — auditing or reviewing the financial report  — taxation services  — due diligence services  — taxation services provided by related practice of	- - - -
Note :	5 Cash and Cash Equivalents	
_	ash at bank and in hand ash Advance	2,635 91 2,726
C C C	econciliation of cash eash at the end of the financial year as shown in the eash flow statement is reconciled to items in the balance eash and cash equivalents eank overdrafts	2,726 - 2,726
Note	6 Trade and Other Receivables	
_	URRENT Uther receivables	2,103 2,103
	ON-CURRENT ecurity Deposits	2,930 2,930

2006	
_	

		\$	
Note 7 Property, Plant and Equipment			
PLANT AND EQUIPMENT			
Plant and equipment:			
At cost		15,859	
Total Property, Plant and Equipment		15,859	
(a)			
	D	Leased Plant	
	Plant and	and	Total
	Equipment \$	Equipment \$	10tai \$
Balance at the beginning of year	Ψ -	Ψ -	Ψ -
Additions	15,859	-	15,859
Disposals	-	-	-
Revaluation increments/(decrements)	-	-	-
Depreciation expense		-	-
Carrying amount at the end of year	15,859	-	15,859
		2006	
		\$	
Note 8 Trade and Other Payables			
CURRENT			
Unsecured liabilities			
Trade payables		40,022	
Sundry payables and accrued expenses		2,598	
		42,620	
Trade Payables above includes			
Amounts payable to:			
<ul> <li>key management personnel related entities</li> </ul>		29,352	
Note 9 Tax			
(a) Liabilities			
CURRENT			
Income Tax		-	
GST Liability		1,564	
		1,564	

2006 \$ **Retained Earnings** 

The company is limited by guarantee. If the company is wound up, the Constitution states that each guarantee member is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the company. At 31 December 2006 the number of guarantee providing members was 1.

#### Note 11 **Capital and Leasing Commitments**

#### (a) Operating Lease Commitments

**Equity** 

Note 10

Reserves

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable — minimum lease payments

- not later than 12 months
- between 12 months and 5 years
- greater than 5 years

All property leases are short term, with rent payable monthly in advance.

#### Note 12 **Contingent Liabilities and Contingent Assets**

There are no contingent liabilities or Contingent Assets

#### Note 13 **Segment Reporting**

#### **Business and Geographical Segments**

#### **Business segments**

The entity has the following business

 Provision of membership based services as a professional association. This includes accreditation, resources, education.

#### **Geographical segments**

The entity's business segments are located in solely in Australia.

2006 \$

58,947

#### Note 14 Cash Flow Information

### (a) Reconciliation of Cash Flow from Operations with after Income Tax

Profit after income tax	(20,566)
Non-cash flows in profit	
Changes in assets and liabilities	
(Increase)/decrease in Security Deposits	(2,930)
Increase/(decrease) in trade payables and	42,620
Increase/(decrease) in GST payable	1,564
Increase/(decrease) in GST Receivable	(2,103)
Cash flow from operations	18,585

#### (c) Credit Standby Arrangements with

Credit facility	500
Amount utilised	
	500

The major facilities are summarised as follows:

#### Bank overdrafts

Bank overdraft facilities are arranged with Australian banks with the general terms and conditions being set and agreed to annually

Interest rates are variable and subject to adjustment

#### Note 15 Events After the Balance Sheet Date

- (a) There were no reportable events after the balance sheet date
- (b) The financial report was authorised for issue on 30 March 2007 by the board of directors

#### Note 16 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Transactions with related parties:

#### (a) Associated Companies

Sponsorship support provided by ICB Global 65,672

#### (b) Key Management Personnel

Administration service fee paid to business associated with Director Matthew Addison

A floating trade facility is provided, at no interest, by Addisons Chartered Accountants in respect to these service fees and various other disbursements incurred from time to time.

#### Note 17 Financial Instruments

#### (a) Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

#### (i) Interest Rate Risk

The entity's exposure to interest rate risk is minimal and only relates to interest derived on cash at call.

#### Note 18 Economic Dependency

The company operates by agreement from the Guaranteeing member in use of its name, royal crest, brand and provision of website and other resources.

#### Note 19 Company Details

The registered office of the company is:
The Institute of Certified Bookkeepers Ltd
Lvl 27, Rialto South Towers
525 Collins Street
Melbourne
The principal place of business is:
The Institute of Certified Bookkeepers Ltd
Lvl 27, Rialto South Towers
525 Collins Street
Melbourne

### THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD ABN: 20 115 901 945 DIRECTORS' DECLARATION

The directors of the company declare that:

1.

- the financial statements and notes, as set out on pages 9 to 19 are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 31 December 2006 and of the performance for the year ended on that date of the company;
- 2. the Executive Director and Chairman have each declared that:
  - the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
  - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
  - (c) the financial statements and notes for the financial year give a true and fair view.

3.	in the directors' opinion there are reasonable grounds to believe that the company when they become due and payable	will be able to pay its debts as and
	when they become due and payable.	to post to post as and

This declaration is made in accordance with a resolution of the Board of Directors.

Director

Dated this

### INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD.

#### Scope

We have audited the financial report of The Institute of Certified Bookkeepers Limited for the financial year ended 31st December 2006 as set out on pages 9 to 19.

The financial report includes the financial statements of the company at the year end or from time to time during the financial year. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

#### Independence

In conducting our audit we followed applicable independence requirements of Australian professional and ethical pronouncements and the Corporations Act 2001.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 4 of the financial report has not changed as at the date of providing our audit opinion.

#### **Audit Opinion**

In our opinion, the financial report of The Institute of Certified Bookkeepers Ltd. is in accordance with:

- (a) the Corporations Act 2001, including
  - (i) giving a true and fair view of the company's financial position as at 31st December 2006 and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.

E. F. McPHAIL & PARTNERS

38 Ellingworth Parade, Box Hill, Victoria, 3128

WAYNE C. DURDIN

274 April 2007