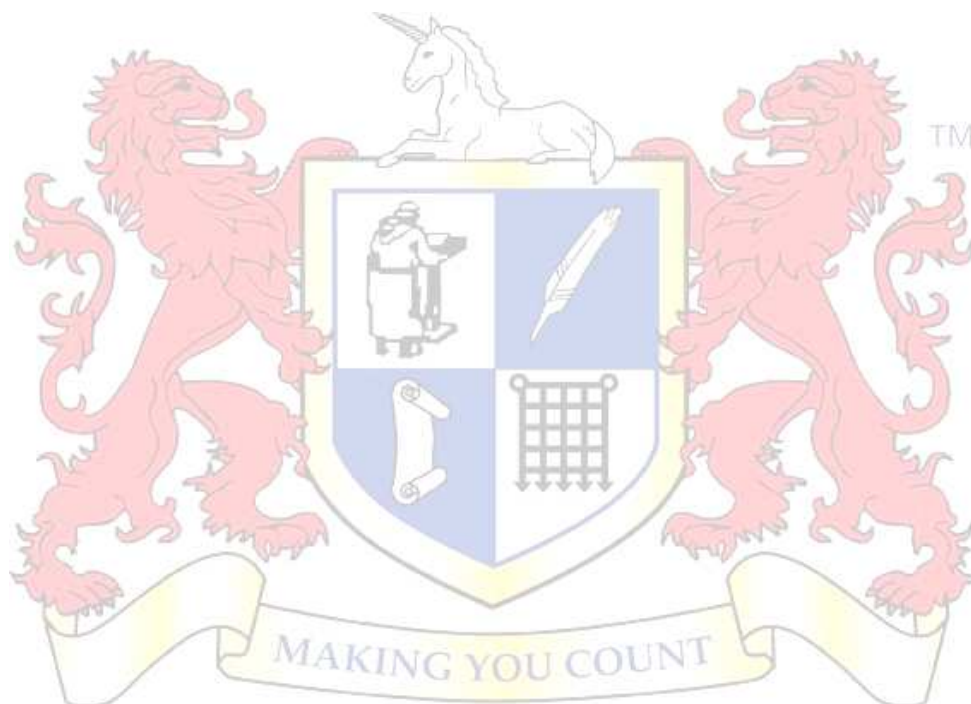


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# THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD

**ABN: 20 115 901 945**



**Annual Financial Report For The Year Ended**

**31 December 2007**

# THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD

**31 December 2007**

**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 report on the company for the financial year ended 31 December 2007

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 \$3,518 (2006 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**

ICB continues to develop its strong position in leading the bookkeeper industry to new strengths. As the professional association for bookkeepers of choice by education suppliers, employers, contractors, government and business ICB continues to establish its credibility as the voice of the bookkeeper. 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.

ICB continues to be the only professional association for the whole of the bookkeeping community and to be the only association of bookkeepers for bookkeepers. ICB acts as a watchdog upon the educators to the community and continues in its role as advocate for bookkeepers to government, Treasury, Tax Office, Software providers and resource

### **Membership**

ICB recognises 4 levels of 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 577 admitted members (excluding the 52 Student & 50 Subscriber members). This membership is represented by 41 Fellows, 486 Members, 32 Associates, 18 Affiliate). A further 63 applications have been received and we are in the process of verifying 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 447 certificates across the 3 levels of accreditation as a result of the ICB assessment process (excluding the 8 specialist certificates). ICB now offers assessments of software competence, technical knowledge and is working with Recognised Training Organisations to develop further efficient and effective training methods and assessment techniques. ICB believes there are many established and competent bookkeepers with significant experience who should be accredited and recognised for their acquired skills

As the proposed legislation to define and empower senior bookkeepers as registered BAS Service Providers is further considered, the proposed education requirement of Certificate IV Financial Services (Bookkeeping) is considered acceptable however ICB is developing appropriate recognition of competence techniques to accredit appropriate bookkeepers.

### **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 2008 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 comprised of Mr John Birse (Chairman of Franchise Bookkeeping Association of Australia), Mr Rick Freitag; Resources & Networks Director for ICB ([usergroups.com.au](http://usergroups.com.au)), Mr Matthew Addison (Executive Director of ICB) and Helen Harrison (Administrator of ICB) making up the current permanent members.

### **Financial Position**

As the membership of ICB continues to grow strongly and the maintenance of membership through renewal rates of approximately 95% of previous members the financial position of ICB continues to strengthen.

The directors believe the company will correct the current net asset 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) Growth in the number of regional network meetings. Regional Network meeting are arranged for groups of bookkeepers to meet for the purpose of development, education, communication and support.
- (ii) Enhancement of the exposure of creditable bookkeepers into the business communities. Ensuring that business, employers, government all are aware that creditable, competent bookkeepers exist and are professional in their conduct.

## Environmental Issues

The bookkeeper industry is continuing to develop: the governments proposal to legislate the introduction of the "BAS Service Provider" is still in progress, some parties continue to exploit facets of the industry requiring further development, however increasingly bookkeepers and providers to the bookkeeper community are recognising those whose self interest outweighs benefit to bookkeepers.

## Information on Directors

<b>Matthew James Addison</b>	— 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
<b>Garry Peter Carter</b>	— 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)
<b>James Peter Thomas Carter</b>	— Director
Qualifications	— FCI., FCITP., FICB(Hon). (all UK)
Experience	— 10 years involvement in ICB UK
Special Responsibilities	— Operations consulting to ICB Australia
Directorships held in other listed entities	— ICB Global
<b>June Marie Carter</b>	— 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
<b>John David Birse</b>	— 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 2007**

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 \$64,432 (2006 \$58,947)
Garry Peter Carter	\$Nil
James Peter Thomas Carter	\$Nil
June Marie Carter	\$Nil
John David Birse	\$Nil

**Meetings of Directors**

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

	Directors' Meetings		Committee Meetings			
	Number eligible to attend	Number attended	Audit		Advisory Board	
			Number eligible to attend	Number attended	Number eligible to attend	Number attended
Matthew James Addison	3	3	1	1	5	5
Garry Peter Carter	3	3	1	1	-	-
James Peter Thomas Carter	3	3	-	-	-	-
June Marie Carter	3	3	-	-	-	-
John David Birse	3	3	-	-	4	4

**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 2007 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

27 day of March 2008

**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 31 December 2007 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.

Name Of Firm E. F. Mc PHAIL + PARTNERS

Name of Partner WAYNE DURDIN

Date 27/03/2008 Wayne Durdin

Address 38 ELLINGWORTH PARADE  
BOX HILL VIC 3128

**THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD**  
**ABN: 20 115 901 945**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

	<b>Note</b>	2007	2006
		\$	\$
Revenue	2	193,950	193,040
Membership Based Direct Costs		(29,580)	(51,714)
Bank Charges		(4,202)	(2,942)
Office Costs		(27,240)	(24,045)
Professional Costs		(2,700)	-
Marketing		(22,391)	(42,911)
Travel Expenses		-	(3,390)
Wages & Salaries		(111,355)	(86,062)
Insurance		-	(2,542)
		-	-
Profit before income tax		<u>(3,518)</u>	<u>(20,566)</u>
Income tax expense		-	-
Profit from continuing operations		<u><u>(3,518)</u></u>	<u><u>(20,566)</u></u>

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 2007**

	Note	2007 \$	2006 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	9,765	2,726
Trade and other receivables	6	3,741	2,103
<b>TOTAL CURRENT ASSETS</b>		<b>13,506</b>	<b>4,829</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	1,480	2,930
Property, plant and equipment	7	12,687	15,859
<b>TOTAL NON-CURRENT ASSETS</b>		<b>14,167</b>	<b>18,789</b>
<b>TOTAL ASSETS</b>		<b>27,673</b>	<b>23,618</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	47,710	42,620
Current tax liabilities	9	4,047	1,564
<b>TOTAL CURRENT LIABILITIES</b>		<b>51,757</b>	<b>44,184</b>
<b>TOTAL LIABILITIES</b>		<b>51,757</b>	<b>44,184</b>
<b>NET ASSETS</b>		<b>(24,084)</b>	<b>(20,566)</b>
<b>EQUITY</b>			
Guarantee	10	-	-
Reserves		-	-
Retained earnings		(24,084)	(20,566)
<b>TOTAL EQUITY</b>		<b>(24,084)</b>	<b>(20,566)</b>

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 2007

	General Reserves	Total
	\$	\$
Transfers to retained earnings	(20,566)	(20,566)
<b>Balance at 31 December 2006</b>	<u>(20,566)</u>	<u>(20,566)</u>
Transfers to retained earnings	(3,518)	-
<b>Balance at 31 December 2007</b>	<u>(24,084)</u>	<u>-</u>

**THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD**  
**ABN: 20 115 901 945**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

	<b>Note</b>	2007 \$	2006 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		193,950	194,583
Payments to suppliers and employees		(186,911)	(176,019)
Interest received		-	21
<b>Net cash provided by (used in) operating activities</b>	14a	<u>7,039</u>	<u>18,585</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		-	(15,859)
<b>Net cash provided by (used in) investing activities</b>		<u>-</u>	<u>(15,859)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
<b>Net increase in cash held</b>		7,039	2,726
Cash at beginning of financial year	1i	2,726	-
<b>Cash at end of financial year</b>	5	<u>9,765</u>	<u>2,726</u>

The accompanying notes form part of these financial statements.

**THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD**  
**ABN: 20 115 901 945**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**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, Australian Accounting 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**

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.

**THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD**  
**ABN: 20 115 901 945**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**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	20%

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.

**THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD**  
**ABN: 20 115 901 945**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**(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.

**THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD**  
**ABN: 20 115 901 945**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**(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.

**(l) Comparative Figures**

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

**(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**

	<b>Note</b>	2007 \$	2006 \$
Operating activities			
— Sale of goods		2,012	119
— Interest received	2(a)	-	21
— Membership Fees		166,706	113,128
— Examination Fees		13,191	11,436
— Training Centre		364	182
— ICB Global Sponsorship		-	68,154
— Regional Conferences		6,566	-
— Sponsorships & Marketing		5,111	-
<b>Total Revenue</b>		<b>193,950</b>	<b>193,040</b>
(a) Interest revenue from:			
— other corporations		-	21
— other persons		-	-
<b>Total interest revenue</b>		<b>-</b>	<b>21</b>

**THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD**  
**ABN: 20 115 901 945**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

**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

<b>Key Management Person</b>	<b>Position</b>
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)	Director
June Marie Carter (appointed 23/08/05)	Director
John David Birse (appointed 22/12/06)	Director
Helen Harrison	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

	<b>Short-term benefits</b>	<b>Post Employment Benefits</b>	<b>Total</b>	<b>Performance related</b>
	Cash, salary & commissions	Super -annuation		
	\$	\$	\$	%
<b>(c) 2007</b>				
Matthew James Addison	64,432	-	64,432	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	38,921	3,518	42,439	0.00%
	<u>103,353</u>	<u>3,518</u>	<u>106,871</u>	
	Cash, salary & commissions	Super -annuation		
	\$	\$	\$	%
<b>2006</b>				
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%
	<u>79,331</u>	<u>1,880</u>	<u>81,211</u>	



**THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD**  
**ABN: 20 115 901 945**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
<b>Note 4      Auditors' Remuneration</b>		
Remuneration of the auditor of the entity for:		
— auditing or reviewing the financial report	1,500	-
— taxation services	-	-
— due diligence services	-	-
— taxation services provided by related practice of	-	-
<b>Note 5      Cash and Cash Equivalents</b>		
Cash at bank and in hand	9,765	2,635
Cash Advance	-	91
	9,765	2,726
Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance		
Cash and cash equivalents	9,765	2,726
Bank overdrafts	-	-
	9,765	2,726
<b>Note 6      Trade and Other Receivables</b>		
CURRENT		
Other receivables	3,741	2,103
	3,741	2,103
NON-CURRENT		
Security Deposits	1,480	2,930
	1,480	2,930

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	2007	2006
	\$	\$
<b>Note 7      Property, Plant and Equipment</b>		
<b>PLANT AND EQUIPMENT</b>		
Plant and equipment:		
At cost	15,859	15,859
Accumulated depreciation	(3,172)	-
<b>Total Property, Plant and Equipment</b>	<b>12,687</b>	<b>15,859</b>

		Leased Plant and Equipment	
	Plant and Equipment \$	Equipment \$	Total \$
(a)            2007			
Balance at the beginning of year	15,859	-	15,859
Additions	-	-	-
Disposals	-	-	-
Revaluation increments/(decrements)	-	-	-
Depreciation expense	(3,172)	-	(3,172)
<b>Carrying amount at the end of year</b>	<b>12,687</b>	<b>-</b>	<b>12,687</b>

		Leased Plant and Equipment	
	Plant and Equipment \$	Equipment \$	Total \$
(a)            2006			
Balance at the beginning of year	-	-	-
Additions	15,859	-	15,859
Disposals	-	-	-
Revaluation increments/(decrements)	-	-	-
Depreciation expense	-	-	-
Write-off of assets destroyed during flood	-	-	-
<b>Carrying amount at the end of year</b>	<b>15,859</b>	<b>-</b>	<b>15,859</b>

	2007	2006
	\$	\$
<b>Note 8      Trade and Other Payables</b>		
<b>CURRENT</b>		
Unsecured liabilities		
Trade payables	44,749	40,022
Sundry payables and accrued expenses	2,961	2,598
	<b>47,710</b>	<b>42,620</b>
Trade Payables above includes		
Amounts payable to:		
— key management personnel related entities	39,743	29,352

<b>Note 9      Tax</b>		
(a) Liabilities		
<b>CURRENT</b>		
Income Tax	-	-
GST Liability	4,047	1,564
	<b>4,047</b>	<b>1,564</b>

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		2007	2006
<b>Note 10</b>	<b>Equity</b>	\$	\$
	Reserves	-	-
	Retained Earnings	(24,084)	(20,566)
		<u>(24,084)</u>	<u>(20,566)</u>

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 2007 the number of guarantee providing members was 1.

**Note 11 Capital and Leasing Commitments**

**(a) Operating Lease Commitments**

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	-	-
	<u>-</u>	<u>-</u>

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.

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	2007	2006
	\$	\$
<b>Note 14 Cash Flow Information</b>		
<b>(a) Reconciliation of Cash Flow from Operations with after Income Tax</b>		
Profit after income tax	(3,518)	(20,566)
Non-cash flows in profit		
Changes in assets and liabilities		
(Increase)/decrease in Security Deposits	1,450	(2,930)
Increase/(decrease) in trade payables and	5,090	42,620
Increase/(decrease) in GST payable	2,483	1,564
Increase/(decrease) in GST Receivable	(1,638)	(2,103)
Increase/(decrease) in Accumulated Depreciation	3,172	-
Cash flow from operations	7,039	18,585
 <b>(c) Credit Standby Arrangements with</b>		
Credit facility	500	500
Amount utilised	-	-
	500	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 31 March 2008 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:

<b>(a) Associated Companies</b>		
Sponsorship support provided by ICB Global	-	65,672
 <b>(b) Key Management Personnel</b>		
Administration service fee paid to business associated with Director Matthew Addison	64,432	58,947
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.		

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**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 2007 and of the performance for the year ended on that date of the company;
  
2. the Executive Director and Chairman have each declared that:
  - (a) 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 will be able to pay its debts as and when they become due and payable.

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

Director

Dated this


  
\_\_\_\_\_  
Garry Peter Carter

27

day of

MARCH

2008

  
\_\_\_\_\_  
Matthew James Addison

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE INSTITUTE OF CERTIFIED BOOKKEEPERS LTD.**

**Report on the Financial Report**

We have audited the accompanying financial report of The Institute of Certified Bookkeepers Ltd., which comprises the balance sheet as at 31st December 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

*Audit Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of The Institute of Certified Bookkeepers Ltd. would be in the same terms if provided to the directors as at the date of this auditor's report.

*Auditor's Opinion*

In our opinion –

- a. the financial report of The Institute of Certified Bookkeepers Ltd. is in accordance with the *Corporations Act 2001*, including –
  - i. giving a true and fair view of the company's financial position as at 31st December 2007 and of its performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Name of firm: E. F. McPhail and Partners  
Name of partner: Wayne C. Durdin  
Address: 38 Ellingworth Parade, Box Hill, Victoria, 3128



Dated this 27th day of March 2008.