

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

ACCOUNTING CONVENTIONS

The financial statements are prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) in accordance with the applicable accounting standards in the United Kingdom, the Charities Act 1993 and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005).

The financial statements consolidate all material subsidiary undertakings on a line-by-line basis. The results for the subsidiaries are shown separately and have been adjusted to eliminate any transactions between the CIPFA Group. The profit from the trading subsidiaries is included in the CIPFA Statement of Financial Activities (SOFA) as one figure.

Further details of the subsidiary undertakings are provided in note 2.

The financial statements of CIPFA's branches, regions, and students' societies are incorporated within the financial statements for CIPFA.

INCOME RECOGNITION

Income is credited to the SOFA in the year to which it relates. Income is deferred only when conditions have to be fulfilled before CIPFA becomes entitled to it or where the donor has specified that the income is to be expended in the future period.

INVESTMENTS

Listed investments are stated at mid-market value at the year end, with realised and unrealised gains and losses being shown in the SOFA. Other investments, where there is no identifiable market price, are valued having regard to the cost of the investment, the underlying net assets of the entities invested in and a potential market valuation.

EXPENDITURE RECOGNITION

Expenditure, including irrecoverable value added tax, is debited to the SOFA on an accruals basis.

Support costs, which include central office functions such as finance, information technology and human resources, are allocated across the categories of charitable expenditure and governance costs. The basis of the cost allocation has been explained in the notes to the accounts. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

PENSIONS

CIPFA contributes to a defined benefit pension scheme. Pension contributions are paid to a local government defined benefit pension scheme in accordance with the recommendations of actuaries. The scheme is funded, with the assets of the scheme held separately from those of the CIPFA, in separate Trustee-administered funds. Retirement benefits are accounted for in accordance with Financial Reporting Standard (FRS) 17.

Current service costs, past service costs, gains and losses on settlements and curtailments, interest on pension scheme liabilities and the expected return on pension scheme assets are charged to resources expended, as shown in note 4.

Actuarial gains and losses are recognised immediately as other recognised gains and losses, after net incoming/outgoing resources for the year.

As detailed in note 7, pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each balance sheet date. The resulting defined benefit pension scheme liability is presented separately after other net assets on the face of the balance sheet.

STOCKS AND WORK IN PROGRESS

Stocks and work in progress are stated at the lower of cost and net realisable value. Work in progress comprises ongoing projects and work performed on contracts not yet billed to clients. Costs include direct labour, contractual costs and attributable overheads.

LEASED ASSETS

Operating lease costs are charged on a straight line basis over the terms of the lease.

RESEARCH AND DEVELOPMENT

Research and development is normally written off as incurred, except for specific projects which are deemed to generate future benefit.

INTANGIBLE FIXED ASSETS – DEVELOPMENT EXPENDITURE

Intangible fixed assets represent development costs capitalised in accordance with SSAP 13 'Research and Development'. These are stated at historical cost and amortised on a straight line basis over the period which revenue is expected to be generated (3 to 4 years).

TANGIBLE FIXED ASSETS AND DEPRECIATION

Freehold property and land is included at valuation.

Assets are depreciated, except for long life property assets where a full valuation is undertaken every three years and interim desktop valuations in intermediate years. The Council considers that the residual value together with the assets' long life is such that depreciation of these assets is immaterial.

Assets are capitalised and depreciated if the value is greater than £1,000 for an individual asset or greater than £5,000 for a capital project.

Tangible fixed assets are depreciated from the month the assets are first used on a straight line basis over their estimated economic lives as follows:

1 ACCOUNTING POLICIES continued

Years

Computer equipment	3
Furniture, fittings and other equipment	5

Assets under construction relate to refurbishment and information technology development and are not depreciated.

DEFERRED TAXATION

Deferred tax is provided in full in respect of taxation by material timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. A deferred tax asset is only recognised where the conditions for recognition in FRS19 (Deferred Tax) are satisfied and such balances may fall due after more than one year.

FUND ACCOUNTING

Unrestricted funds held by the charity are:

Designated Funds - these are unrestricted funds set aside by the trustees for specific future purposes or projects.

Other Charitable Funds - these are unrestricted general funds that can be used in accordance with the charitable objects at the discretion of trustees.

Restricted funds - are those funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

2 PROFITS FROM TRADING ACTIVITIES OF SUBSIDIARIES

CIPFA has two wholly-owned trading subsidiaries which are incorporated in the UK. The principal activities of FSF Limited (FSF) are providing services and information to the public services. The principal activities of Institute of Public Finance Limited (IPF) are providing financial advice and governance, property and asset management solutions, the supply of information and expertise, and people with appropriate skills to help at the most senior level. Both companies remit a proportion of their profits to CIPFA by means of a deed of covenant and gift aid. A summary of their trading results is shown below. Audited accounts are filed with the Registrar of Companies.

Profit and Loss Account	FSF 2006 £000	IPF 2006 £000	Total 2006 £000	Total 2005 £000
Turnover	2,535	22,057	24,592	24,149
External charges	(1,242)	(10,146)	(11,388)	(11,163)
Staff costs	(745)	(7,403)	(8,148)	(7,702)
Depreciation and amortisation	-	(216)	(216)	(215)
Other operating charges	(488)	(2,520)	(3,008)	(3,043)
Operating profit	60	1,772	1,832	2,026
Interest receivable	13	99	112	98
Profit on ordinary activities before taxation	73	1,871	1,944	2,124
Tax on profit on ordinary activities	-	(10)	(10)	(6)
Profit after taxation	73	1,861	1,934	2,118
Covenant/gift aid to CIPFA	(73)	(1,861)	(1,934)	(2,118)
Retained in Subsidiary	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

3 INCOME AND EXPENDITURE OF TRADING SUBSIDIARIES

	FSF 2006 £000	IPF 2006 £000	Total 2006 £000	Total 2005 £000
Income	2,548	22,156	24,704	24,247
Interest receivable	(13)	(99)	(112)	(98)
Intra-Group transactions	(217)	(235)	(452)	(751)
	2,318	21,822	24,140	23,398
Expenditure	2,475	20,295	22,770	22,129
Intra-Group transactions	(1)	(354)	(355)	(172)
Governance costs	(5)	(96)	(101)	(105)
	2,469	19,845	22,314	21,852

4 ANALYSIS OF CHARITABLE EXPENDITURE

A CIPFA	Activities Direct Costs £000	Human Resources £000	Support Costs			FRS17 Pension (Note 7) £000	2006 Total £000	2005 Total £000
			ICT £000	Finance & Admin Support £000	Marketing & Public Relations £000			

Charitable expenditure:

Advancing public finance and promoting best practice	6,566	99	255	304	294	155	7,673	7,596
Educating and training students	5,946	78	145	146	164	154	6,633	6,337
Regulation and supporting members	1,306	37	96	198	76	154	1,867	1,510

Total charitable expenditure	13,818	214	496	648	534	463	16,173	15,443
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Governance:

Governance costs	360	2	16	11	-	-	389	579
	14,178	216	512	659	534	463	16,562	16,022

Basis of allocation

Headcount Work-stations Income & expend. Estimated time

B GROUP	Activities Direct Costs £000	Human Resources £000	Support Costs			FRS17 Pension (Note 7) £000	2006 Total £000	2005 Total £000
			ICT £000	Finance & Admin Support £000	Marketing & Public Relations £000			

Charitable expenditure:

Advancing public finance and promoting best practice	6,413	99	255	304	294	155	7,520	7,338
Educating and training students	5,845	78	145	146	164	154	6,532	5,989
Regulation and supporting members	1,150	37	96	198	76	154	1,711	1,416

Total charitable expenditure	13,408	214	496	648	534	463	15,763	14,743
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Cost of generating funds:

Trading subsidiaries expenses	22,314	-	-	-	-	-	22,314	21,852
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Governance:

Governance costs	461	2	16	11	-	-	490	680
	36,183	216	512	659	534	463	38,567	37,275

Basis of allocation

Headcount Work-stations Income & expend. Estimated time

5 GOVERNANCE COSTS

	CIPFA		Group	
	2006 £000	2005 £000	2006 £000	2005 £000
Audit fees	19	19	38	37
Internal audit fees	30	27	54	47
Annual report and accounts	8	11	8	11
Council, committees and boards	144	144	198	200
Proposed ICAEW integration costs	-	80	-	78
Management and governance support	159	270	163	279
Apportionment of costs supporting governance activities	29	28	29	28
	389	579	490	680

6 EMPLOYEES

	CIPFA 2006 £000	FSF/IPF 2006 £000	Total 2006 £000	Total 2005 £000
Salaries and wages (including temporary staff)	6,290	5,972	12,262	12,200
National insurance	572	562	1,134	1,084
Pension costs	1,060	1,157	2,217	1,535
Other staff costs	143	457	600	573
	8,065	8,148	16,213	15,392

The average number of employees in the Group in 2006 was 319 (2005: 313). The average number of secondees to FSF and IPF in 2006 was 17 and 137 respectively (2005: 18 and 140).

Senior employees received remuneration falling within the following ranges:

	CIPFA 2006	FSF/IPF 2006	CIPFA 2005	FSF/IPF 2005
£210,000 - £219,999	1	-	-	-
£190,000 - £199,999	-	-	1	-
£150,000 - £159,999	-	-	-	1
£140,000 - £149,999	-	1	-	-
£120,000 - £129,999	-	-	-	1
£110,000 - £119,999	-	1	2	1
£100,000 - £109,999	1	-	-	1
£90,000 - £99,999	-	1	1	-
£80,000 - £89,999	1	3	2	-
£70,000 - £79,999	4	6	2	9
£60,000 - £69,999	7	9	6	6

Of the senior employees 14 CIPFA (2005: 14) and 18 FSF/IPF (2005: 16) are members of the Group pension scheme. Employer pension contributions on behalf of senior staff in 2006 were £674,000 (2005: £385,000). The 2006 contribution includes a one-off payment to the pension fund following the early retirement of a senior member of staff. It also reflects the voluntary increase in the employer contribution rate to 22% (from 18.8%) from April 2006. Disclosures for FSF and IPF above are in respect of staff seconded from CIPFA.

NOTES TO THE FINANCIAL STATEMENTS

7 PENSIONS

CIPFA operates a funded defined benefit pension scheme for its staff under the Superannuation Act 1972, and is subject to the *Local Government Pension Scheme Regulations 1997*. The scheme is managed, on CIPFA's behalf, by Wiltshire County Council as part of its superannuation fund.

The scheme provides pensions and other retirement benefits for employees based upon final salaries. The annual funding cost of these pensions is based on triennial actuarial valuations. The cost is financed by contributions from both CIPFA and its staff.

The latest full actuarial valuation of the scheme was carried out as at 31 March 2004. CIPFA's "employer's" contribution rate is currently 366.67% of "employees" contribution and that rate was voluntarily increased from 313.33% on 1 April 2006.

The contributions resulted in a total pension cost to the Group for the financial year, in respect of the pension scheme, of £2,217,000 (2005: £1,535,000) and to CIPFA of £1,060,000 (2005: £766,000).

The assumptions made in the actuarial valuation as at 31 March 2004 using the projected unit method and in accordance with the *Local Government Pension Scheme Regulations 1997*, together with the market value of assets and funding level were:

Rate of return on investments	6.3%
Rate of increase in salaries	4.4%
Retail price inflation	2.9%
Market value of assets for CIPFA (whole fund)	£24.68m (£711m)
Funding level for CIPFA staff (all staff)	77.7% (75%)
Deficit for CIPFA staff (whole fund)	£7.083m (£950m)

The actuary has valued the pension scheme in accordance with FRS17, which is different to the requirements of the *Local Government Pension Scheme Regulations 1997*, and disclosures are as follows:

The major assumptions used by the actuary were:

	2006 % p.a.	2005 % p.a.	2004 % p.a.	2003 % p.a.	2002 % p.a.
Price increases	3.1%	3.0%	2.9%	2.7%	2.3%
Rate of increase in salaries	4.6%	4.5%	4.4%	4.2%	3.8%
Rate of discount	5.1%	4.7%	5.3%	5.4%	5.9%
Pension increases	3.1%	3.0%	2.9%	2.7%	2.3%

The assets of the fund and the expected return were:

	Long-term rate of return expected at 31/12/2006	Value at 31/12/2006 £000	Long-term rate of return expected at 31/12/2005	Value at 31/12/2005 £000	Long-term rate of return expected at 31/12/2004	Value at 31/12/2004 £000	Long-term rate of return expected at 31/12/2003	Value at 31/12/2003 £000	Long-term rate of return expected at 31/12/2002	Value at 31/12/2002 £000
Equities	7.7%	28,513	7.2%	24,281	7.5%	19,347	7.8%	16,828	8.0%	12,081
Bonds	4.8%	8,091	4.4%	7,297	4.9%	5,282	5.2%	4,136	5.5%	3,446
Property	5.7%	3,950	5.3%	3,062	5.5%	2,279	6.5%	1,858	6.0%	1,096
Cash	4.8%	778	4.3%	453	4.5%	763	4.0%	898	4.0%	804
Total value of assets	6.9%	41,331	6.4%	35,093	6.8%	27,671	7.1%	23,720	7.2%	17,427
Present value of scheme liabilities		(54,851)		(53,028)		(42,003)		(34,450)		(24,608)
Deficit in the scheme - net pension liability		(13,250)		(17,935)		(14,332)		(10,730)		(7,181)

7 PENSIONS *continued*

Analysis of the amount charged to the Statement of Financial Activities

	2006 £000	2005 £000
Current service cost	2,251	1,526
Past service cost	145	28
Settlements and curtailments	-	7
Total operating charge	2,396	1,561

Analysis of the finance costs charged to resources expended

	2006 £000	2005 £000
Expected return on pension scheme assets	2,313	1,917
Interest on pension scheme liabilities	(2,547)	(2,266)
Net return	(234)	(349)

Analysis of the actuarial loss recognised in Statement of Financial Activities

	2006 £000	2005 £000
Actual return less expected return on pension scheme assets	1,291	4,076
Experience gains and losses arising on the scheme liabilities	(98)	139
Changes in assumptions underlying the present value of the scheme liabilities	3,685	(7,410)
Actuarial gain/(loss) recognised in the SOFA	4,878	(3,195)

Movement in deficit during the year

	2006 £000	2006 £000	2005 £000	2005 £000
Deficit in the scheme at the beginning of the year		(17,935)		(14,332)
Movement in year:				
Current service cost	(2,251)		(1,526)	
Contributions by employer	2,167		1,502	
Past service cost	(145)		(28)	
Other finance costs	(234)		(349)	
Settlements and curtailments	-		(7)	
Charge to resources expended		(463)		(408)
Actuarial gains/(losses)		4,878		(3,195)
Deficit in scheme at the end of the year		(13,520)		(17,935)

NOTES TO THE FINANCIAL STATEMENTS

7 PENSIONS *continued*

History of experience gains and losses

	2006	2005	2004	2003	2002
Difference between the expected and actual return on scheme assets:					
Amount (£000)	1,291	4,076	767	2,120	(5,829)
Percentage of scheme assets	3.1%	11.6%	2.8%	8.9%	(33.4%)
Experience gains and losses on scheme liabilities:					
Amount (£000)	(98)	139	(1,538)	558	494
Percentage of the present value of the scheme liabilities	(0.2%)	0.3%	(3.7%)	1.6%	2.0%
Total amount in other recognised gains and losses:					
Amount (£000)	4,878	(3,195)	(3,319)	(862)	(5,289)
Percentage of the present value of the scheme liabilities	8.9%	(6.0%)	(7.9%)	(2.5%)	(21.4%)

8 INTANGIBLE ASSETS

	CIPFA £000	Group £000
Development at cost		
At 1 January 2006	365	662
Additions	-	-
At 31 December 2006	365	662
Amortisation		
At 1 January 2006	142	377
Charge for the year	132	194
At 31 December 2006	274	571
Net Book Value at 31 December 2006	91	91
Net Book Value at 31 December 2005	223	285

Following a review of the future revenue streams over the remaining amortisation period of the intangible assets, an additional amortisation charge has been made in the year.

9 TANGIBLE FIXED ASSETS

A CIPFA	Freehold Land & Buildings £000	Furniture & Fittings £000	Computers £000	Assets under Construction £000	Total £000
Cost or valuation					
At 1 January 2006	7,560	1,353	782	96	9,791
Revaluations	1,290	-	-	-	1,290
Additions/transfers	-	409	179	(96)	492
Disposals	-	(6)	(328)	-	(334)
At 31 December 2006	8,850	1,756	633	-	11,239
Depreciation					
At 1 January 2006	-	846	760	-	1,606
Charge for year	-	182	77	-	259
Eliminated on disposal	-	(6)	(328)	-	(334)
At 31 December 2006	-	1,022	509	-	1,531
Net book value 31 December 2006	8,850	734	124	-	9,708
Net book value 31 December 2005	7,560	507	22	96	8,185

The tangible fixed assets are held for charitable use.

B GROUP	Freehold Land & Buildings £000	Furniture & Fittings £000	Computers £000	Assets under Construction £000	Total £000
Cost or valuation					
At 1 January 2006	7,560	1,579	1,396	96	10,631
Revaluations	1,290	-	-	-	1,290
Additions/transfers	-	479	275	(96)	658
Disposals	-	(80)	(467)	-	(547)
At 31 December 2006	8,850	1,978	1,204	-	12,032
Depreciation					
At 1 January 2006	-	1,005	1,216	-	2,221
Charge for year	-	225	188	-	413
Eliminated on disposal	-	(80)	(467)	-	(547)
At 31 December 2006	-	1,150	937	-	2,087
Net book value 31 December 2006	8,850	828	267	-	9,945
Net book value 31 December 2005	7,560	574	180	96	8,410

DTZ Debenham Tie Leung, International Property Advisors, completed an interim desktop valuation on the Robert Street property (last full valuation at 31 December 2005) and a full valuation on the Borough High Street property. The basis used for both valuations was open market value.

The historical cost of the freehold land and buildings is £2,920,000.

NOTES TO THE FINANCIAL STATEMENTS

9 TANGIBLE FIXED ASSETS *continued*

	2006 £000	2005 £000
CIPFA and Group – analysis of freehold land & buildings		
Robert Street	7,000	5,835
Borough High Street	1,750	1,625
Savoy Place	100	100
	8,850	7,560

10 INVESTMENTS IN SUBSIDIARY COMPANIES

	2006 £000	2005 £000
400,100 £1 ordinary shares in IPF	400	400
102 £1 ordinary shares in FSF	–	–
	400	400

11 OTHER INVESTMENTS

	2006 £000	2005 £000
Balance at 1 January	9	8
Movement in year	(1)	1
Balance at 31 December	8	9

As one of six major accountancy bodies CIPFA holds 60 £1 shares in CCAB Limited at a cost of £60 (6% of the issued equity capital). Other investments comprise a number of funds that have been established either by way of donations in memory of eminent accountants within public finance or from various organisations.

12 DEFERRED TAX

A deferred asset of £46,789 (2005: £49,287) exists at 31 December 2006 in IPF, in respect of timing differences. This has been recognised in the accounts as there is sufficient evidence that the asset will be recoverable within the meaning of FRS19. A standard rate of corporation tax of 19% (2005: 19%) has been used to value the potential deferred tax asset.

	2006 £000	Group	2005 £000
Accelerated capital allowances	44		49
Short-term timing differences	3		-
Tax losses carried forward	-		-
Undiscounted provision for deferred tax	47		49
Discount	-		-
Discounted provision for deferred tax	47		49
Movement in provision:			
Provision at 1 January	49		52
Deferred tax charged in the SOFA for the year	(2)		(3)
Provision at 31 December	47		49

13 STOCKS AND WORK IN PROGRESS

	2006 £000	CIPFA	2005 £000	Group	2006 £000	2005 £000
Finished goods	484		473		484	473
Work in progress	-		-		125	42
	484		473		609	515

14 DEBTORS

	2006 £000	CIPFA	2005 £000	Group	2006 £000	2005 £000
Trade debtors	1,708		1,689		4,911	4,031
Amounts due from subsidiary undertakings	1,087		904		-	-
Other debtors	380		240		1,240	1,243
Prepayments	190		172		273	454
	3,365		3,005		6,424	5,728

NOTES TO THE FINANCIAL STATEMENTS

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	CIPFA		Group	
	2006 £000	2005 £000	2006 £000	2005 £000
Trade creditors	369	601	1,557	1,844
Amounts due to subsidiary undertakings	122	281	-	-
Corporation tax	-	-	7	4
Other tax and social security	637	554	1,225	1,114
Other creditors	972	856	1,537	1,259
Receipts in advance	787	733	2,564	2,412
	2,887	3,025	6,890	6,633

16 MORTGAGE LOANS

CIPFA and Group	2006 £000	2005 £000
Balance at 1 January	1,865	1,913
Loan repayments	(51)	(48)
Balance at 31 December	1,814	1,865

CIPFA and Group – analysis of mortgage loan	2006 £000	2005 £000
within 1 year	54	51
within 2 to 5 years	251	236
in over 5 years	1,509	1,578
	1,814	1,865
less creditors: amounts falling due within one year	(54)	(51)
	1,760	1,814

Mortgage loans comprise two loans of £1,000,000 each which are secured on the Robert Street, London property. One loan of £1,000,000 has an interest rate of 6.13376% with no principal repayment that matures December 2017, and one loan of £1,000,000 has an interest rate of 6.04061% with principal repayment over the 15 years of the loan that matures December 2017. DTZ Debenham Tie Leung, International Property Advisors, completed an interim desktop valuation on the Robert Street property. The basis used for the valuation was open market value and the property was valued at £7,000,000.

17 FUNDS

	Balance at 1 Jan £000	Income £000	Expenditure £000	Revaluation £000	Transfers £000	Balance at 31 Dec £000
Unrestricted Funds						
Designated	5,695	-	-	1,290	51	7,036
Other charitable funds	4,812	38,428	(38,035)	-	(51)	5,154
	10,507	38,428	(38,035)	1,290	-	2,190
Restricted Funds						
DfID	-	69	(69)	-	-	-
Trust	47	1	-	-	-	48
	47	70	(69)	-	-	48
Pension reserve	(17,935)	-	(463)	4,878	-	(13,520)
Total funds	(7,381)	38,498	(38,567)	6,168	-	(1,282)

Designated Fund (Property) – The Council has classified as designated funds the element of its reserves in respect of the difference between the book value of the freehold building and loans outstanding.

DfID (Department for International Development) – sum received under a Strategic Grant Agreement towards the cost of international development.

Trust - A number of funds have been established either by way of donations in memory of eminent accountants within public finance or from various organisations. The income from the investments is used for prizes in each year's examinations, either for the best subject or the best student in a particular field.

18 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Restricted Funds £000	Designated Funds £000	Other Charitable Funds £000	Pension Reserve £000	Total £000
Funds balances at 31 December 2006 are represented by:					
Intangible assets	-	-	91	-	91
Tangible fixed assets	-	8,850	1,095	-	9,945
Investments	8	-	-	-	8
Current assets	40	-	10,804	-	10,844
Current liabilities	-	(54)	(6,836)	-	(6,890)
Long term liabilities	-	(1,760)	-	-	(1,760)
	48	7,036	5,154	-	12,238
Pension liability	-	-	-	(13,520)	(13,520)
Net assets	48	7,036	5,154	(13,520)	(1,282)

NOTES TO THE FINANCIAL STATEMENTS

19 CAPITAL COMMITMENTS

	CIPFA		Group	
	2006 £000	2005 £000	2006 £000	2005 £000
Authorised but not contracted	327	407	327	575

20 FINANCIAL COMMITMENTS

At 31 December 2006 the annual commitments under operating leases were as follows:

A CIPFA	Land & Buildings 2006 £000	Other 2006 £000	Land & Buildings 2005 £000	Other 2005 £000
Leases which expire:				
within one year	-	31	-	53
within 2 to 5 years	34	46	34	49
in over 5 years	196	-	130	-
	230	77	164	102

B GROUP	Land & Buildings 2006 £000	Other 2006 £000	Land & Buildings 2005 £000	Other 2005 £000
Leases which expire:				
within one year	14	41	172	86
within 2 to 5 years	184	139	212	163
in over 5 years	444	-	130	-
	642	180	514	249

21 TRANSACTIONS WITH TRUSTEES AND RELATED PERSONS

The trustees received no remuneration in relation to fulfilling their role as trustees (2005: Nil).

33 trustees were reimbursed £64,617 for actual costs necessarily incurred on Institute business (2005: 43 trustees were reimbursed £63,357). The following additional payment was made to a trustee:

- Tim Day, a Council member, for chairing local authority accounting and best value courses and assisting in the drafting of accountancy publications, £3,000. Payments made under an order granted by the Charity Commission.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)

We have audited the financial statements of the Chartered Institute of Public Finance and Accountancy and its subsidiaries for the year ended 31 December 2006 which comprise the Statements of Financial Activities, the Balance Sheets, the Group Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with section 43(2) of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF COUNCIL AND AUDITOR

The Council's responsibilities for preparing the Report of the Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Council Responsibilities.

We have been appointed as auditor under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Report of the Council is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Council's Annual Report and Accounts, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

BASIS OF AUDIT OPINION

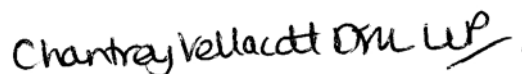
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

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

OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the affairs of the charity and the Group as at 31 December 2006 and of their incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.



CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Registered Auditor
LONDON
5 April 2007