Contents

1. Overview
   2  CIMA’s purpose, vision, mission
   3  CIMA’s Key Performance Indicators – our performance against targets
   4  Case study: Tesco
   7  President’s statement
   10 Case study: Merrill Lynch

2. Executive statement
   13 Membership growth
   15 Lifelong Learning Framework
   17 Technical thought leadership
   17 Professional standards and ethics
   19 Brand
   21 Building alliances
   22 Case study: Barclays

3. Our overall strategy
   24 Strategic framework
   26 Key Performance Indicators
   27 The future
   29 Operations
   29 Regulatory environment
   30 Case study: Amba Research

4. Operating and financial review
   33 Review by market
   35 Risks and uncertainties
   36 Resources
   38 Corporate Social Responsibility statement
   40 Financial review
   42 Case study: PricewaterhouseCoopers India

5. Accounts and information
   44 Council statement and independent auditors’ statement
   45 Corporate governance statement
   46 Summary consolidated income statement and summary statement of changes in funds
   47 Summary consolidated balance sheet
   48 Council and executive committee members
   49 Representatives on external boards and committees
   50 Council members and representatives
Our performance and objectives for next year

Key Performance Indicators
Consistent with the annual review (2005), the top level key performance indicators are:

<table>
<thead>
<tr>
<th>KPI</th>
<th>2007</th>
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<tr>
<td>To grow membership</td>
<td>4.5%</td>
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<td>4%</td>
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</tr>
<tr>
<td>To improve member satisfaction*</td>
<td>85%</td>
<td>81%</td>
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<td>3,840</td>
<td>3,463</td>
<td>2,373</td>
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<td>To retain the right people</td>
<td></td>
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<td>(voluntary retention)</td>
<td>85%</td>
<td>82%</td>
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<tr>
<td>To increase reserves</td>
<td>£0.1m</td>
<td>£2.5m</td>
<td>£1.5m</td>
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*The 2nd KPI referred to in the OFR: “To improve member satisfaction” is measured through the member census last undertaken in 2006 and next to be carried out in 2008 and therefore not included in the 2007 Plan.

Key areas of focus for 2007:
The KPIs above support our focus on ensuring that:

- CIMA attracts, supports and satisfies the best
- CIMA’s professional development is preferred by employers
- employers and other stakeholders have confidence in CIMA’s members’ integrity and standards of business ethics of CIMA members
- CIMA is recognised as the benchmark for best practice in management accounting
- CIMA is an effective, cohesive, coordinated, customer focused professional body.

About CIMA

CIMA
The Chartered Institute of Management Accountants is a leading membership body that offers an internationally recognised professional qualification in management accountancy. We are the only professional body focusing exclusively on accounting for business.

We are determined to provide the best possible qualifications tailored to the needs of employers and our members.

Our purpose
The ever greater employability of CIMA members.

Our vision
CIMA members driving the world’s successful organisations.

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To be the first choice for employers in the qualification and development of professional accountants in business.

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Since CIMA qualified Andrew Higginson joined Tesco plc nine years ago as Finance and Strategy Director, the supermarket chain has doubled in size.

Andrew studied the CIMA qualification during his time as a graduate trainee at Unilever. He regards it as time well spent – so much so that when Tesco formalised its own graduate training scheme for the finance function six years ago, it was Andrew’s suggestion that led to the company becoming a CIMA Quality Partner. Today, Tesco recruits an average of 10 graduates each year, many of whom work alongside the growing number of Tesco finance directors around the world who are qualified management accountants. ‘For me it’s a no brainer. If you want to work in business, you should subscribe to CIMA,’ Andrew says.

Looking back at his own career, Andrew says he chose the CIMA qualification because it was ‘tailor-made for people who want to go into business. The other options seemed to be a bit of a halfway house. They were useful if you wanted to go into audit, but I’d set my sights on industry. CIMA was the only choice because it had a much broader approach.’

For Andrew, the main benefit was relevance in terms of the sort of job he wanted to do. ‘I found it a great foundation and it helped with my career from day one,’ he says.

His views are shared by Tesco colleague Liz Doherty FCMA, the company’s International Finance Director. ‘From my own experience I know that CIMA provides graduates with a balanced portfolio of skills as well as the tools to get to the heart of business and understand what the issues are,’ she says.
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Tesco is the market leader in the UK and a major global player as well, with operations in such growth markets as China, Hungary and Thailand.

According to Andrew, the current challenge is to maintain effective management as Tesco continues its international expansion. ‘Just managing all the consequences of growth and keeping all the plates spinning is a major operation in itself. But a CIMA qualification prepares you for that.’

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Finance and Strategy Director
1. President’s statement

2006 was another successful year for our institute, which faces the strategic challenges ahead with confidence.

Membership growth
We reached the significant milestone of the 70,000th member. In 2006 membership grew by 3.5%. We have doubled in size over the last 14 years. Membership growth will continue to be a key target in the coming years as this significantly influences the international recognition of our qualification. Our high standards will never be compromised in our quest for growth.

Student growth
The progression of students to membership is a key CIMA aim. The number of students is fast approaching 90,000 and this figure includes almost 8,000 passed finalists who only need to complete and have approved their Practical Experience Requirements to obtain membership. Student numbers grew by 2% in 2006. Again, student growth is another key target and very importantly, the support to students to help them pass their examinations and attain our qualification.

Opportunities
World GDP continues to grow, but in both the private and public sector, business faces many challenges to operate in an ever faster developing world. The challenges of worldwide competition and the progress of technology mean that the need for quality information and processes to manage and drive organisations has never been greater. Increasingly this provides many and diverse opportunities for our members and students in organisations of all sizes and in consultancy work.

Financial success
In 2006 we achieved a record income of £37.6m and a surplus of £1.6m. At year end we had liquid reserves of £6.2m. It is of the utmost importance that CIMA builds its reserves and balance sheet strength to face the challenges and uncertainties of the future. There is a deficit of £2.4m on the defined benefit pension scheme and we have agreed a mechanism for the elimination of this deficit within the guidelines issued by the Pension Regulator to all businesses.

Lifelong partnership with members
Membership of CIMA is a lifelong partnership between the member and the institute. CIMA is a membership body.

The institute continually strives to enhance the international status and recognition of the Chartered Management Accountant. Evidence is that employers continue to grow in appreciation of the quality of our qualification which leads to the increased employability and career progression of our members.

We continue to promote and develop the science of management accountancy to ensure its relevance to the ever changing needs of business, on which we are totally focused. We are investing significantly in a Centre of Excellence and the continued development of our intellectual capital to remain at the forefront of innovation in management accountancy – for the benefit of members, and in turn, their employers or clients.

In 2006, we introduced our new CIMA Professional Development (CPD) process. The change is that CPD must be recorded as in the public interest, competency must not just be maintained, but be seen to be maintained. CPD has always been an ethical requirement of our professional qualification.
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We introduced our new Code of Ethics which is principles based. All members received this on CD-ROM. It features on our website, together with practical examples and supported its introduction with an international series of roadshows. An ethics helpline was also introduced to help members who experience ethical issues, together with a whistleblowing advice line for members and students in the UK offering advice on making a public interest disclosure. The highest ethical standards are absolutely essential for the professional status of our qualification and the profession at large.

For members who wish to broaden their skillets, we introduced fast track routes to Masters degrees from Deakin University, Business School and Lille University. The distance learning aspect of these degrees means that they can be taken by our members worldwide.

To support our members in countries where we do not have significant market share, we explore the creation of alliances with the leading national bodies. Alliances are in place with the the American Institute of Certified Public Accountants (AICPA), the Certified Management Accountants of Canada (CMAC), the Hong Kong Institute of Certified Public Accountants (HKICPA), the Institute of Chartered Accountants of Australia (ICAA) and the New Zealand Institute of Chartered Accountants (NZICA).

The biggest survey ever of our members was conducted in 2006, with almost 9,000 members participating. This indicated that members worldwide.

Support for students

Students are the lifeblood of our institute and its future success. We are continually seeking new and innovative ways of supporting our students in their progression to membership. Our website contains a wealth of support – guidance on examination techniques, post-examination reviews, pre-exam Ask the Tutor sessions, specific subject guides to help students tackle challenging topics, past examination papers and relevant extracts from Financial Management magazine.

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The use of personal computers for TOPCIMA continued successfully in 2006 offering students and their employers increased flexibility and choice in which they can sit this exam, and we are trying to extend the use of this technology to all of our markets.

To facilitate students in completing their Practical Experience Requirements, we have introduced an online membership application process.

Themes

Some of the themes high on CIMA's agenda are the future of the finance function, accounting for sustainability, Business Process Outsourcing, pensions and the further development of narrative reporting.

Regulation

CIMA continues to work with regulators (e.g. the Financial Reporting Council, the Irish Auditing and Accountingancy Authority etc) in our common goal for maintaining the highest standards in the profession.

Outside bodies

CIMA continued to play an active role in the International Federation of Accountants, the Consultative Committee of Accountancy Bodies and the Fédération des Experts Comptables Européens.

Consolidation

In 2005, CIMA withdrew from discussions on consolidation with ICAEW and CIPFA and in 2006 no further discussions took place on this subject.

Corporate Social Responsibility

CIMA seeks to practice and encourage Corporate Social Responsibility. At CIMA’s Financial Management Awards in November 2006, a new category of award was introduced – The Financial Management Award for Corporate Social Responsibility. The award was won by Radio Taxi's Group for adopting an ambitious project that resulted in it becoming the world’s first carbon neutral company in their industry. They also demonstrated a clear business performance link to this strategy in terms of increased positive media coverage and the amount of new business won.

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Membership body

Our institute is a members’ body and receives a tremendous amount of voluntary support from our members – I am always astounded by the goodwill shown by our members to our institute.

Council, in whom the governance of our institute is entrusted, has successfully guided the institute and the contribution of each and every member is appreciated. Their help to me was invaluable.

The work done by members in branches, areas, divisions and various committees, is outstanding.

Every application for membership is assessed by members and I pay tribute to all our membership assessors for this important function.

I am particularly grateful to the deputy president, vice president and immediate past president for the support and wisdom which they have given me.

During my visits to various countries, areas and branches, I was received with the utmost courtesy and warmth and it was a great pleasure to meet so many members and students.

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CIMA Canada won the prestigious award for best cricket promotional and marketing event in the Americas from the International Cricket Council (ICC) for their outstanding organisation of the CIMA Canada Mayor’s trophy 2006. This CIMA badged event is a tremendous example of a local branch raising the profile of CIMA in a country where we do not have a significant market share.

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Case study: Merrill Lynch

Merrill Lynch has worked closely with CIMA to formulate a world-class graduate training programme for its finance function.

Merrill Lynch has recently achieved accreditation for CIMA Development, the institute’s new Continuing Professional Development scheme. Martin explains, ‘the focus now is very much on retention, development and motivation. Not only do we want the best, but we want them to stay with us and continue to excel as they move through the ranks.’

Since becoming a CIMA Quality Training Partner, Merrill Lynch has found ‘CIMA helps us to find the right people. The qualification gives us rounded individuals who can hit the ground running and make a significant impact as they go along.’

What originally attracted the company to the CIMA qualification was its flexibility and relevance to the business environment, and those qualities endure. As a result, CIMA trainees who show the greatest potential are given the opportunity to join the company’s fast-track development programme. ‘I think it’s a compliment to CIMA that a company like Merrill Lynch sees the institute’s qualification as intrinsic to the development of its rising stars,’ Martin says.

Last October’s launch of the CIMA Development accreditation scheme developed the relationship further. ‘When graduates are weighing up the future, a CPD accreditation can be the thing that tips the balance. It can be very hard to manage your career aspirations effectively without any support. A CPD programme can provide the reassurance that an employee’s career development is built into the job.’

‘CIMA’s programme plugs very nicely into our overall CPD structure. We can clearly identify which areas an individual needs to focus on to ensure he or she is equipped with a full compliment of skills.’

Martin McMillan ACMA
CFO of Merrill Lynch
Global Private Client Group EMEA

One of the world’s leading wealth management, capital markets and advisory companies is looking for new talent. And Martin McMillan, ACMA, CFO of Merrill Lynch’s Global Private Client group for Europe, Middle East and Africa, knows how to find it. And keep it. With help from CIMA.

He is, after all, the holder of a CIMA qualification himself. So by training he is aware of what is best in terms of talent and ability. With his encouragement, Merrill Lynch has worked closely with CIMA to formulate a world-class graduate training programme for its finance function.
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2. Executive statement

CIMA has a comprehensive and balanced strategy. We have a clear focus on what we need to do to achieve our overall purpose: the ever greater employability of CIMA members. The CIMA Strategic Scorecard™ has provided us with a highly effective tool to maintain our focus on the external environment in which we operate, strategic options and risks and strategy implementation – all in pursuit of Strategy 2010 goals.

Membership growth

Our principal measure of success is membership growth. We operate in a very competitive environment worldwide. Globally, according to the International Federation of Accountants (IFAC) there are approximately 1.3 million professional accountants in business. Some 6% of these are CIMA members. Our research over the past year has confirmed that in comparison to the other training routes and professional bodies, our qualification and training route, with its sole focus and immersion in business, is regarded by employers as more fit for purpose than other qualifications. This gold standard is increasingly valued throughout the world in our chosen markets and provides us with an advantage over our competitors.

The Consultative Committee of Accountancy Bodies (CCAB) consists of the six chartered accounting institutes, which includes CIMA, headquartered in the UK/Republic of Ireland. The Public Oversight Board’s (POB) latest statistics (2005) show CIMA in a favourable light compared with the other five. The figures on the right show our success against our CCAB competition. Over the five years to 31 December 2005, the CCAB bodies grew on average by 3.9% whereas CIMA grew on average by 4.6%. Our focus will remain on growth, both in the UK and internationally – nearly one third of our members and students are based outside the UK and this is a particular area for growth. We operate 13 staffed offices worldwide and we have members in 161 countries.

The same report emphasises CIMA’s focus on business.

CIMA remains the only international chartered accountancy body with a sole focus on business. Our market is clearly defined: more of our members operate in business or the public sector than any other CCAB body.

To achieve continued membership growth we need to:

• recruit and retain students and support them through to qualification
• develop a lifelong partnership between the institute and its members
• be seen by employers as providing the best qualification and support to their employees
• provide relevant examinations and Continuing Professional Development underpinned by an ethical support framework
• be recognised as a thought leader in our field
• have an effective organisation

Throughout 2006 and in planning for 2007, we have therefore implemented and continue to develop a series of projects to help meet these objectives.

Employer strategy – building relationships, meeting needs

Research undertaken with employers in the UK in 2006 indicates that CIMA is seen as the most relevant qualification for business and that there is a high level of satisfaction with CIMA services.

Against a background of increased globalisation, we have now completed benchmark employer awareness research in international markets to review our current product and service range, our processes and structures. Qualitative and quantitative market specific research undertaken among CFOs has also helped to determine
CIMA has a comprehensive and balanced strategy. We have a clear focus on what we need to do to achieve our overall purpose: the ever greater employability of CIMA members. The CIMA Strategic Scorecard™ has provided us with a highly effective tool to maintain our focus on the external environment in which we operate, strategic options and risks and strategy implementation – all in pursuit of Strategy 2010 goals.

2. Executive statement

Membership growth
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CIMA’s current standing with employers in four markets: Hong Kong, Ireland, Malaysia and Sri Lanka. Based on our research in the UK and internationally, we have a better idea of employers’ expectations for future CIMA products and services.

During 2006 we restructured CIMA in response to these needs. Rick Sturge was appointed to lead a new directorate focused on employers and strategic development. We have new sets in students and membership. It is also coordinating CIMA’s multinational employer relationship activities and further engaging with senior decision makers and stakeholders in our core and developing markets.

Our vision is to develop mutually beneficial relationships with the top organisations worldwide, in particular building upon CIMA’s employer partnerships in the UK. There, our efforts will be focused on supporting the top 750 organisations, most of which have international operations as well. Internationally, our business development teams will also continue to develop Training Partners and Quality Training Partners as part of our accreditation programme to support best practice in the development of CIMA students.

Our Employer Strategy will also address the framework for supporting small organisations that have CIMA members. Pilot programmes are now underway. They have a particular focus on relationship management, improved information flows and new product development for both members and students.

In 2006 we exceeded by 377 our worldwide university recruiting target of 2000 employers to become CIMA Training Partners. Within the UK, over 2400 employers, representing 9,984 students – or 23% of our UK student body – are engaged in this scheme. Our share of students in these partner organisations has grown from 71.5% to 84.5% since 2003.

At post-qualifying level, over 150 major employers worldwide have embraced the benefits of being awarded CIMA Development Partner status since the scheme was launched in 2005.

We continue to develop partnerships with employers in new and developing markets for CIMA, particularly in the growing Business Process Outsourcing (BPO) sector. In 2006 CIMA signed an agreement with the Shared Services Business Process Outsourcing Association (SSBPOA), the leading forum for shared services and BPO in Europe. This agreement will assist CIMA in delivering new services and offerings to employers and members in the shared services and BPO settings.

In Asia Pacific, CIMA enjoyed unprecedented exposure through a variety of conference partnerships. Specifically, CIMA had a strong presence at both the Asia Pacific CFO Summit and the Asia Pacific Shared Services Summit in Singapore.

We replicated this approach across the region with similar events in Australia, China and Malaysia. In Australia, CIMA worked with its strategic alliance partner, the Institute of Chartered Accountants of Australia (ICAA) and others to deliver a series of CFO/Finance Transformation forums.

In early 2006, CIMA appointed a Director of Development for Asia Pacific which is giving us a higher profile in that region.

Student recruitment and support

Our continued student growth year on year is intrinsically linked to our excellent relationships with employers, universities and other stakeholders. Recruitment has remained strong in all our principal markets, with record numbers in India, China and South Africa.

Nearly 15% of all students took part in our student survey in 2006. This provided overwhelming confirmation that CIMA is satisfying their needs; the vast majority said they would recommend CIMA to a colleague.

Overall, students considered the most important reasons to choose CIMA were the global nature of the qualification, its reputation, flexible future career options, meeting employer needs and the content and structure of the syllabus.

Financial Management magazine was ranked highest support product with an extremely high level of satisfaction. CIMA Publishing ranked highly for books and support and did Insight our online newsletter and students appreciated ease of payment on the web as a service.

63% of employers offer paid study leave

The majority of employers (63%) offer paid study leave, while 16% offer unpaid study leave.

The excellent May and November 2006 exam results marked the third and fourth diets of CIMA’s new syllabus. Students registered to sit 129,484 examination papers in November, an increase of 7,154 on 2005, in 249 exam centres in 95 countries. Prize winners and commendations in individual papers included students from China, Ireland, Pakistan, South Africa, Sri Lanka, Switzerland and the UK.

As part of a growing offering of blended learning support, CIMA worked in partnership with Minder Planning Ltd to launch new online examination techniques programmes for each of the Strategy level papers. The feedback has been very positive.

Now we are extending the range to include all Managerial level papers from February 2007 onwards. The CIMA Direct pilot (an online tutor support service) was expanded to six countries for the November 2006 examinations with over 250 students taking part. The results were positive, with higher scores than previously. We plan to further extend and refine CIMA Direct in 2007. Another initiative which progressed well in 2006 was the doubling of the diets available via TOPCIMA on pc. We have a target date of 2008 to extend this to all of CIMA’s markets.

Lifelong Learning Framework – ensuring enduring professional competence

Following stakeholder research, we updated all five modules in the CIMA Certificate in Business Accounting (CIMA Fast), the entry level to CIMA’s professional examinations.

As provider of the premier international qualification for business, CIMA has to meet high expectations. One way we do this is by undertaking research with stakeholders every four years to find out what employers want from CIMA through our Chartered Management Accounting syllabus and practical experience requirements. Work will begin in 2007 to undertake the base level research. This will lead to a revised CIMA syllabus in late 2008, with the first examinations taking place in 2010.

Around half of respondents noted that their employers fully cover fees and costs. The majority of employers (63%) offer paid study leave, while 16% offer unpaid study leave.

The CIMA professional development output-based scheme was formally introduced on 1 January 2006. It continues to demonstrate CIMA’s commitment to lifelong learning, enabling members to formalise and demonstrate their professional competence and ethical awareness as they hone their skills and capabilities.

In pursuit of excellence

CIMA’s Centre of Excellence, introduced in 2003, further cements the benchmark for innovation and best practice in continuous professional development.

Activities will include working in partnership with a leading business school to undertake longitudinal research into stakeholders’ needs and changes in the finance function. During 2006 the centre recruited six new staff to implement its plans.

Most of CIMA’s CPD products and services come under the umbrella of the CIMA Centre for Excellence.

CIMA Publishing had a dynamic year in terms of its new product development. It launched new student support products and extended the professional portfolio of products covering topics such as leadership, corporate governance and strategic business planning.

CIMA Mastercourses have attracted and achieved high satisfaction levels. In 2006, 99% of 4000 delegates rated their course to be good to excellent. A record number of 141 in-company Mastercourses were booked in 2006 compared to 97 in 2005. Among the 50 new subjects were Management Accounting: Developments from the Cutting Edge, Effective Transfer Pricing and Information that Influences.

New partnerships developed during the year included an accelerated MBA for CIMA members through Deakin University (Melbourne), one of the world’s leading distance learning MBA programmes. We also established fast track links for CIMA members to a Masters degree with the Graduate School of Management, Lille, France, one of Europe’s oldest and most reputable business schools. From Cranfield University we also offer our members a discounted route to an MSc in Performance Management. Our partnership with Harvard Business School Publishing...
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continued to grow with the updating of the HMM+ suite of online support modules. CIMA plans to build further partnerships with the world’s leading universities in the future to enhance our members’ employability and their CPD.

Technical thought leadership – shaping the future of the finance function
Our technical development strategy focuses on promoting and developing the science of management accountancy to help improve the way organisations are run, for the benefit of their investors and other stakeholders.

CIMA is committed to looking at developing issues such as the impact on management accountancy of managing for value, accounting for sustainability, measuring the effectiveness of marketing, the future role of Finance professionals and the development of tools and techniques to help them contribute more value to their businesses. We will push the boundaries of management accountancy and set its agenda for the future. One of CIMA’s priorities for 2006 was contributing to the continued development of high quality, transparent, forward looking narrative reporting. The narrative element of the reporting package is a natural extension of the management information provided to the board, so improvements in one will benefit the other. It is particularly suited to reporting on the performance dimension of enterprise governance as opposed to the conformance aspects of historical financial reporting.

In the UK the repercussions continued to the Chancellor’s unexpected decision in late 2005 to abolish the statutory requirement for an Operating and Financial Review (OFR). The alternative required by the EU, the Business Review, specifies more limited disclosures and many, including the Financial Reporting Council, share our preference for the OFR. CIMA was a vocal commentator on the consequences of these developments during 2006. More generally, CIMA has received significant media coverage for its promotion of best practice narrative reporting.

To provide immediate and practical help to those responsible for preparing narrative reports, CIMA collaborated with PricewaterhouseCoopers LLP, communications consultancy Radley Yeldar and Tomkins plc to publish a model report and extract accounts for a fictitious company, Generico. This guidance focused on improvements in disclosure which are possible in the current legal and regulatory environment. It is part of a project called Report Leadership which intends to challenge and debate corporate reporting practices. Information can be found at www.reportleadership.com.

An important event in the UK during the year was the passage through Parliament of the Companies Bill. CIMA worked with other interested parties to successfully lobby the Government to include clauses (often called ‘safe harbour’ provisions) in what became the Companies Act 2006. The result enables directors to make forward looking statements in good faith without fear of liability.

In 2006 we also published guidance for organisations on how to manage the corporate risk of their pension schemes via the launch of a report: The Pension Liability – Managing the Corporate Risk. This publication benefited from involvement with CIMA’s Pensions Advisory Group, whose members include finance directors from FTSE100 and FTSE250 companies, leading academics, along with the trustees of some of the UK’s major pension funds.

The 17th World Congress of Accountants in Turkey in November 2006 provided CIMA with an opportunity to promote the vital role that Chartered Management Accountants can play in driving improvements to their organisation’s social and environmental footprint. During the congress we focused on the metrics of sustainable reporting and stressed that tackling climate change will foster economic growth.

Professional standards and ethics – safeguarding public and stakeholder interests
The high professional standards and ethics of Chartered Management Accountants have helped maintain confidence in the accountancy profession.

Our status as a professional institute, charges CIMA with a duty to protect the public interest. As part of this commitment, we require members and students to uphold the highest standards of ethical behaviour in their professional lives. Maintaining consistently
continued to grow with the updating of the HMM+ suite of online support modules. CIMA plans to build further partnerships with the world’s leading universities in the future to enhance our members’ employability and their CPD.

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high ethical standards protects the reputation and integrity of the Chartered Management Accountant qualification, increases public trust in it and so supports CIMA’s purpose – to enhance the employability of CIMA members. A survey of our members has indicated that members appreciate the importance of ethics.

CIMA’s new Code of Ethics was launched in January 2006 and distributed on a CD-ROM to all members and students. All new students receive the CD-ROM when they register with CIMA and it is also available on our website. The code is principles based, rather than rules based.

CIMA delivered an international series of 16 free ethics roadshows for members and students between May and November 2006. At these events, delegates learnt how CIMA’s Code of Ethics can support them. Feedback indicates that these events successfully met the needs and expectations of our members. Over 600 members and students attended the CIMA ethics roadshows, and we offered members further opportunities to learn about the code through ethics sessions at other national, area and branch CIMA events.

To support our members and students in upholding high ethical standards, we launched the CIMA Ethics Helpline in March 2006. It is a free, confidential telephone and email service run in-house. It offers ethics guidance for members and students who are facing an ethical conflict, are concerned their professional integrity may be compromised or need clarification on the Code of Ethics.

The helpline is clearly filling a need. In its first eight months of operation it received double the number of ethics queries that CIMA received during the same period the previous year, before the dedicated service was available.

We also subscribe to a free whistle-blowing advice line service for our UK based members and students. The service is confidential and is staffed by specialists in UK whistle-blowing legislation at Public Concern at Work, an independent charity. These services, alongside the legal advice line that is available for UK members, form a comprehensive package of ethics support.

To further assist members facing ethical issues, we have developed an interactive online ethics CPD module and published a number of ethics articles and case studies in our institute magazine and newsletters.

The importance of ethics is also emphasised to students from the outset, our Certificate in Business Accounting incorporates ethics. At the final examination stage, ethics is now part of TOPCIMA, where 10% of the marks are available for ethics.

More widely, CIMA contributes to the improvement of ethics policy through the CCAB Ethics Group and FEE Ethics Working Party and responds to ethics policy consultations by IFAC’s PAIB (professional accountants in business) committee and others.

In 2006 we introduced our new process of compulsory recording of CPD for all members. It was already compulsory for Members in Practice. Monitoring of CPD is now taking place in 2007 in line with our status as a professional accounting body. CIMA’s CPD regime is output based and members are the best judges of what is needed for them to remain professionally competent. To assist members, we have a web based CPD planner and we have formed relationships with over 160 organisations so that their CPD requirements are in accord with CIMA’s personal based system. We will be working to expand the number of relationships we have with employers.

Members’ handbook
CIMA introduced a new online CIMA Members’ Handbook in January. Employers, clients, colleagues and the wider public rightly expect that CIMA members uphold the highest professional standards. It is a key tenet of success for Chartered Management Accountants being at the leading edge of the accountancy profession.

Since we are continuously updating and maintaining the handbook on the CIMA website, we encourage members’ feedback and suggestions for future developments.

Professional conduct
To uphold professional standards, CIMA’s conduct processes must remain effective in dealing with any complaints of misconduct. To ensure our conduct processes meet the 16 times during 2006, [compared with 11 in 2005 and six in 2004]. The Investigation Committee considered 17 allegations of misconduct against members and registered students, and the Disciplinary Committee held seven public hearings. We received 23 new complaints in 2006, raising the total number of cases across all stages of the conduct process to 57.

We concluded 26 by the end of the year. CIMA also continued to manage and monitor potential complaints as well as maintaining an overview of cases involving CIMA members and students under investigation by external authorities. To improve and accelerate the complaints process we updated our criteria and procedures in January 2007.

The appointment in March 2006 of a new Director of Professional Standards, Robin Vaughan, is enabling CIMA to use his wealth of expertise and experience to drive forward and champion CIMA’s work in the area of professional standards.

New Promises
A highlight of the year was the opening of CIMA’s Sri Lanka headquarters in Colombo, by Sri Lanka’s Prime Minister, the Hon. Ratnasiri Wickramanayake. It has also been a significant year for CIMA in China with a new office opening in Shanghai and six new employees recruited to work there. Dublin and Malaysia also moved to new improved offices.

These new premises enhance our brand image and provide more effective and efficient facilities for members, students and staff operating in these regions.

Brand
One area that demonstrates the value of investing resources and time is our brand. This has been a huge focus for us over the last year and will continue to be as we grow awareness of our brand internationally and increase our focus on our overseas members. Our 70,000 members are our greatest resource for promoting the institute.

Our brand is developing from strength to strength. CIMA has again been deemed a UK Business to Business Superbrand for 2006/2007 by the UK Superbrand Council, an independent senior panel of judges. Major events, including the President’s Dinner, the CIMA Annual Conference held throughout our markets and the CIMA Financial Management Awards, have all been a resounding success and reinforced CIMA’s reputation of quality and professionalism.

Communications activity is essential to brand development. In 2006, CIMA’s corporate website www.cimaglobal.com consolidated its position as a central communications tool following the complete re-design of the site in 2006.

Web visits continued to grow in 2006, with the number of visitors up by 33% on the previous year. In fact, the site received over 3 million visitors in 2006, averaging 265,000 each month. Increased online usage, both in the UK and internationally, enables CIMA to keep in constant contact with members and students. We are planning further functionality and development for 2007.

The largest membership survey ever in CIMA was conducted in 2006, with nearly 9,000 members participating and rating our performance above that of the 2004 survey. Overall members expressed their satisfaction with the institute, the qualification, Financial Management magazine and the products and services offered to our members. Most said that they would recommend CIMA to a colleague with the vast majority agreeing that membership enhanced their career prospects and professional standing. One big success has been the introduction of online facilities such as My CIMA. Over 80% of respondents were aware that it’s now possible to update personal details and pay online. We will continue to monitor and respond to the needs of our members.

With its sole focus on business, CIMA is different and a major marketing initiative in 2007 will be emphasising how the qualification of Chartered Management Accountant differentiates itself from other qualifications.

Defining the CIMA difference
In 2006 we commissioned Bath University School of Management to carry out an independent assessment of our syllabus versus the syllabus of the CCAB and other international accounting bodies.

The resulting output highlighted significant differences between CIMA and these competitors. CIMA’s strengths were in areas including management accounting, project management, risk and control, human capital management, our approach to financial management and the in-depth coverage of business strategic issues. It also demonstrated our focus on business, an emphasis on critical...
high ethical standards protects the reputation and integrity of the Chartered Management Accountant qualification, increases public trust in it and so supports CIMA’s purpose – to enhance the employability of CIMA members. A survey of our members has indicated that members appreciate the importance of ethics. CIMA’s new Code of Ethics was launched in January 2006 and distributed on a CD-ROM to all members and students. All new students receive the CD-ROM when they register with CIMA and it is also available on our website. The code is principles based, rather than rules based.

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To support our members and students in upholding high ethical standards, we launched the CIMA Ethics Helpline in March 2006. It is a free, confidential telephone and email service run in-house. It offers ethics guidance for members and students who are facing an ethical conflict, are concerned their professional integrity may be compromised or need clarification on the Code of Ethics.

The helpline is clearly filling a need. In its first eight months of operation it received double the number of ethics queries that CIMA received during the same period the previous year, before the dedicated service was available.

We also subscribe to a free whistle-blowing advice line service for our UK based members and students. The service is confidential and is staffed by specialists in UK whistle-blowing legislation at Public Concern at Work, an independent charity. These services, alongside the legal advice line that is available for UK members, form a comprehensive package of ethics support.

To further assist members facing ethical issues, we have developed an interactive online ethics CPD module and published a number of ethics articles and case studies in our institute magazine and newsletters.

The importance of ethics is also emphasised to students from the outset, our Certificate in Business Accounting incorporates ethics. At the final examination stage, ethics is now part of TOPI/CPA, where 10% of the marks are available for ethics.

More widely, CIMA contributes to the development of ethics policy through the CCAB Ethics Group and FEE Ethics Working Party and responds to ethics policy consultations by IFAC’s PAIB (professional accountants in business) committee and others.

In 2006 we introduced our new process of compulsory recording of CPD for all members. It was already compulsory for Members in Practice. Monitoring of CPD is now taking place in 2007 in line with our status as a professional accountancy body. CIMA’s CPD regime is output based and members are the best judges of what is needed for them to remain professionally competent. To assist members, we have a web based CPD planner and we have formed relationships with over 160 organisations so that their CPD requirements are in accord with CIMA’s personal based system. We will be working to expand the number of relationships we have with employers.

Members’ handbook

CIMA introduced a new online CIMA Members’ Handbook in January. Employers, clients, colleagues and the wider public rightly expect that CIMA members uphold the highest professional standards. It is a key tenet of success for Chartered Management Accountants being at the leading edge of the accountancy profession.

Since we are continuously updating and maintaining the handbook on the CIMA website, we encourage members’ feedback and suggestions for future developments.

Professional conduct

To uphold professional standards, CIMA’s conduct processes must remain effective in dealing with any complaints of misconduct. To ensure its conduct committee met 16 times during 2006, (compared with 11 in 2005 and six in 2004). The Investigation Committee considered 17 allegations of misconduct against members and registered students, and the Disciplinary Committee held seven public hearings. We received 23 new complaints in 2006, raising the total number of cases across all stages of the conduct process to 57. We concluded 26 by the end of the year. CIMA also continued to manage and monitor potential complaints as well as maintaining an overview of cases involving CIMA members and students under investigation by external authorities. To improve and accelerate the complaints process we updated our criteria and procedures in January 2007.

The appointment in March 2006 of a new Director of Professional Standards, Robin Vaughan, is enabling CIMA to use his wealth of expertise and experience to drive forward and champion CIMA’s work in the area of professional standards.

New promises

A highlight of the year was the opening of CIMA’s Sri Lanka headquarters in Colombo, by Sri Lanka’s Prime Minister, the Hon. Ratnasiri Wickramanayake. It has also been a significant year for CIMA in China with a new office opening in Shanghai and six new employees recruited to work there. Dublin and Malaysia also moved to new improved offices. These new premises enhance our brand image and provide more effective and efficient facilities for members, students and staff operating in these regions.

Brand

One area that demonstrates the value of investing resources and time is our brand. This has been a huge focus for us over the last year and will continue to be as we grow awareness of our brand internationally and increase our focus on our overseas members. Our 70,000 members are our greatest resource for promoting the institute.

Our brand is developing from strength to strength. CIMA has again been deemed a UK Business to Business Superbrand for 2006/2007 by the UK Superbrand Council, an independent senior panel of judges. Major events, including the President’s Dinner, the CIMA Annual Conference held throughout our markets and the CIMA Financial Management Awards, met the criteria, providing further endorsement and reinforced CIMA’s reputation of quality and professionalism.
CIMA is the only international accounting body with a sole focus on business

analysis, interpretation, communication to all relevant stakeholders and the application of what is learned to a business context.

In addition, an Advisory Panel of 24 FTSE CFOs CIMA members and academic specialists considered the key performance drivers that contribute to successful organisations. A unique model was developed in consultation with them that sets out the key disciplines underpinning high performance organisations. It is depicted as the CIMA Success Wheel. Each of its nine spokes represent the underlying components of success for professional accountants in business who must deal with the ambiguity and complexity that characterise today’s organisations.

The CIMA Wheel of Success

Based on this model, the comparative strengths of the syllabuses of nine leading professional accountancy bodies were tested for fitness of purpose. The results showed that CIMA has greater focus than these professional accountancy qualifications in the areas of business that are fundamental to driving business success.

Having clearly defined that differentiation, the critical challenge for 2007 and beyond is to derive maximum value for CIMA in the market place.

Global influence

In 2006 CIMA continued to raise the reputation and status of Chartered Management Accountants.

CIMA continues vigorous support of the work of the International Federation of Accountants (IFAC). The president represents the institute on the Council, the governing body of IFAC. We also show this support through joint participation with other CCAB member bodies and directly. Our chief executive has continued on the IFAC Board. Bill Connell has just completed his third term on the Professional Accountants in Business Committee (PAIB), latterly as chairman. Other CIMA members serving on IFAC Committees are Alfred Ramaseed and Keith Luck (PAIB) and Lalith Fonseka (Developing Nations Committee). They are supported by three of CIMA’s directors as technical advisers on IFAC Committees.

We submitted CIMA’s response to the IFAC Part 2 Assessment of Compliance with the Statements of Membership Obligation (SMOs) during 2006. This is now posted on the IFAC website at http://www.ifac.org/ComplianceAssessment/published_surveys.php

Continuous improvement and innovation

CIMA has introduced significant changes in core business processes. In particular, the outsourcing of certain business critical IT provision has improved CIMA’s business continuity structure and brought additional expertise to the organisation in the running of core infrastructure.

The 2006 upgrading of our core membership and examination system has succeeded in speeding up processing times and adds functionality. These efforts have placed the operation on a strong platform for the next three years.

Customer data quality is a key challenge for many organisations. In 2006 improved both the quality and the range of customer based information. This is enabling us to better target our chosen markets and, in 2007, to build information analysis tools that will transform the way we use our customer database.

CIMA gained re-accreditation against the new Investors in People standard in 2006, which places increased emphasis on culture and management capability. We also recorded an approximate 23% increase in employee satisfaction levels in 2006 from 2004 levels – validation of our efforts to listen and act upon feedback from CIMA staff.

2010 journey

In 2004 we published CIMA’s 2010 Strategy. Since then, we have annually reviewed and revised it to reflect changing market conditions and progress towards achieving the original strategic objectives. The next major strategic exercise, in 2007, will focus on CIMA’s road to success through to 2015. While much of the current strategic direction will continue, it is clear that technology, relationships with key employers, global branding and progress in management accounting will be significant drivers of our new strategy.

Our continued success requires our meeting the challenging KPIs set out in our Operating and Financial Review.

Improvement and innovation:

• best practice governance
• a trusted organisation and respected management team
• a cost effective infrastructure
• motivated people
• optimised technology
• a balanced approach to risk and opportunity
• environmental awareness
• corporate social responsibility
• speed to market
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There, the returns of most of the 155 member bodies and associates can be accessed. The SMOs are a useful framework for CIMA to follow in its technical and standards fields, and compliance clearly demonstrates the high standards achieved.

IFAC has recently appointed CIMA past President Norman Lyle as chair of an independent group looking at the financial reporting supply chain. Its primary focus is to raise the credibility and reliability of financial reporting and builds on much of the work that CIMA has already done with IFAC in the area of enterprise governance and improving confidence in the accounting profession. CIMA's representation in this worldwide organisation enables us to continue to provide our members with an appropriate voice on issues relevant to us at an international level.

CIMA's chief executive is chairing a panel advising the UK Treasury on how to transfer good practice in financial management into the public sector.

CIMA, as a founder member of the Federation Européen des Expert-Comptables (FEE), has continued to play a part in some of its major activities, especially working parties and groups that tackle financial reporting issues, ethics and anti-money laundering. As the only exclusively non-audit body among the 44 member bodies, CIMA has an important position, representing the views of users of audit and accountants in business generally. FEE is a valuable means of interfacing the profession with the legislators in Brussels and facilitates useful networking across national boundaries. This will be topical in 2007 because of legislative developments in the UK and Europe.

Building alliances

During 2006, CIMA formed a number of new alliances with national and international organisations with similar or complementary interests, to support professional accountants in business. These alliances include links with:

- Hong Kong Institute of Certified Public Accountants (HKICPA)
- Institute of Chartered Accountants Australia (ICAA)
- New Zealand Institute of Chartered Accountants (NZICA)

Continuous improvement and innovation

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Our continued success requires our meeting the challenging KPIs set out in our Operating and Financial Review.
Barclays, one of the largest financial services companies in the world, has 118,000 employees in 60 countries.

The Finance Academy website has enhanced Barclays’ training programme by creating a central communication point for the CIMA communities within the organisation (out of each year’s graduate intake into the finance function, up to 45% choose to take the CIMA qualification). The site allows students and members to share information and take part in online discussions with CIMA representatives. ‘CIMA has given us great support in providing representatives who take part in live online discussion, which usually takes place for a couple of hours over a lunchtime,’ Jill explains. ‘Students and members find it very useful to clarify everything from technical topics to how to resolve everyday challenges.’

Barclays finance function has also benefited from CIMA’s technical support on issues relating specifically to the financial services sector. ‘We look to CIMA to find our way through information and make sure we target the right topics and give the correct level of learning and support,’ Jill says. ‘CIMA certainly understands what our needs are as a business.’

Barclays acknowledges the importance of an innovative and imaginative training and development programme. ‘Our aim is to stay ahead of the game and to do that it’s important to have a strong relationship with our training partners,’ Jill says. ‘CIMA is in contact with a wide range of different organisations and is able to advise us on which ideas will work for us and which won’t. We see Barclays’ accreditation as a CIMA Development Partner as a key step to making ourselves a world-class employer.’
Case study: Barclays

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3. Our overall strategy

CIMA strategic framework

Purpose – the ever greater employability of CIMA members.

Key success factors

- Recruitment and Retention
  - CIMA attracts, supports and satisfies the best

- Lifelong learning framework
  - CIMA’s professional development is preferred by employers

- Professional standards and conduct
  - Employers and other stakeholders have confidence in CIMA’s members integrity and standards of business ethics of CIMA members

- Promotion and development of the science of management accounting
  - CIMA is recognised as the benchmark for good practice in management accounting

- CIMA effectiveness
  - CIMA is an effective, cohesive, coordinated customer focused professional body

Outcomes for delivering strategy

- Employers
  - Recognise that CIMA delivers their professional development and retention needs to maximum effort.

- Individuals
  - Recognise that CIMA provides the best prospects for a career in business.

- Other influencers
  - Recognise that CIMA provides the best prospects for an individual’s career in business.

- Relevance of the qualification
  - Our qualifications are regarded as the most relevant to the changing needs of business and the finance function.

- Professional development
  - To provide support for members in maintaining and enhancing their professional competence.

- Provide learning support
  - Assure the best learning support for future members.

- Standards
  - CIMA’s regulatory regime supports members to provide high standards of ethical compliance and professional competence.

- Conduct
  - CIMA’s conduct processes are effective in dealing with complaints of professional misconduct in the interests of the public and all stakeholders.

- Differentiation
  - Different from all competitors.
  - Understood by all our stakeholders.

- Technical thought leadership
  - CIMA is recognised as the champion of management accounting good practice.
  - CIMA is known for being at the forefront of thinking in the development of the future of the finance function.

- Continuous improvement and innovation
  - Values culture.
  - Best practice governance.
  - A trusted organisation and respected management team.
  - Cost effective infrastructure.
  - Motivated people.
  - Optimised technology.
  - Risk v. appetite (balance risk and opportunity).
  - Environmental awareness.
  - Corporate social responsibility.
  - Speed to market.

Key elements to our strategy

CIMA’s ultimate Key Performance Indicator (KPI) is membership growth. To achieve this goal we need to succeed in:

- recruiting and retaining students and supporting them to qualification
- lifelong partnership between the institute and its members
- being seen by employers as providing the best qualification and support to their employees
- providing relevant examinations and Continuing Professional Development underpinned by an ethical support framework
- being recognised as a leader in the development of professional thought leadership
- having an effective organisation.
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- having an effective organisation
To achieve our strategy, we have 5 KPIs. This is how we did.

KPI 1: To grow membership
Worldwide membership grew by 3.5% to 70,016, slightly down on the previous year’s rate of 4.0%. New membership growth failed to meet target in the year ending 31 December 2006 (3,755 against a target of 4,028). This reflected a new conversion shortfall in the UK of 431. Internationally we exceeded our target by 158. New initiatives and associated action plans are already in place to address the 2007 membership targets.

We continue to experience strong student growth year on year. Student recruitment has remained strong in all our principal markets. Particular highlights include record recruitment levels in China, India and South Africa.

KPI 2: To improve member satisfaction
CIMA conducts a member satisfaction survey every two years. In 2006 we achieved an overall satisfaction rating of 85%, a 6% point rise on 2004. Overall, 85% of members found CIMA to be good or better, while 93% would recommend CIMA to others, and 95% agreed CIMA enhanced career prospects.

The highest interest was in CPD products. The CPD Planner was seen as CIMA’s most important product, and we are looking at ways in which to further improve it. The highest awareness was for Financial Management magazine, 95% thought it represented good value. Top issues for the profession were corporate governance, reputation and the role of finance. For individuals communications and spreadsheet skills came top. The percentage of fees and subscriptions paid by employers has grown from 54% to 65%.

The member survey highlighted satisfaction with our web based support and, for the first time, international stakeholders are slightly more satisfied than UK members.

At CPD level, customer satisfaction is at the heart of product development. In order to ensure that the product and services developed meet the demands of CIMA stakeholders, robust quality assurance procedures are in place across all of our products.

KPI 3: To increase employer partnerships
Measuring CIMA’s relationship with top companies provides a reliable indicator of the increasing influence and employability of our members. If such companies are choosing CIMA as the qualification of choice, then it will influence others to also choose and promote the CIMA qualification.

We engage and build relationships with employers to build the brand profile, to maximise the student intake studying CIMA, to support members, and to market and sell CIMA’s other products and services.

Research on the current product and service range for employers, our processes and structures concluded we need to strengthen our relationships and develop a key account strategy that includes a robust Customer Relationship Management (CRM) capability.

As a result, we have restructured the CRM team to provide a more relevant service with enhanced information and a new range of post-qualification products.

Worldwide, we have recruited 3,840 employers, 377 over our 2006 target, as CIMA Training Partners since revising our student support scheme in 2003. Within the UK, over 2,400 employers, representing 9,984 students, or 23% of our UK student body, are involved. Our share of students compared to those of other accounting bodies in these partner organisations has grown from 71.5% to 84.5%. In 2007 our target for employer partnerships is 4083.

KPI 4: To retain the right people
CIMA aims to retain high quality and talented people and measures this through voluntary retention. In 2006 CIMA targeted an 80% voluntary staff retention level (78% achieved in 2005) and achieved 82%. Encouraging secondments and internal promotions, embarking on substantial management capability training and reviewing benefits packages are three of the key initiatives in place for retaining employees.

In 2006, there were 21 CIMA people studying for professional qualifications ranging from those of CIMA to the Chartered Institute of Marketing and the Chartered Institute of Personnel and Development. Overall, there were 41 internal secondments and promotions. Having achieved a voluntary retention rate increase of 4% over 2005, we were also encouraged by positive developments in the feedback from an employee survey. This showed an increase in employee satisfaction levels.

CIMA gained re-accreditation in 2006 against the new Investors in People standard, which places increased emphasis on culture and management capability.

CIMA’s liquid reserves (current assets) grew by £2.5m in 2006 as a result of increasing cash balances through the annual surplus and improved revenue collection. This achievement took the value of reserves above target for the first time and represents years of effort in rebuilding reserves after a period of heavy investment.

We plan a continued modest growth, but our priority is reserve maintenance at the right level to provide CIMA with a firm financial foundation.

The future
To best serve our members, we must be aware of changes in the financial and regulatory climates in which they and employers operate.

These factors have a major bearing on the way we appraise markets for future investment. To that end, we apply two main criteria:

- CIMA strategic importance – for which the measure is the level of current and sustainable CIMA members and students, together with brand awareness in the market.
- Global strategic importance – determined according to a range of economic, political and social criteria.

These enable us to focus on the attractiveness of a particular market for business (employers) and its relevance to CIMA’s key objectives.

We base these assessments not only on historical performance but on expectations about conditions over the next ten years or more.

We constantly monitor opportunities and risks – internal, sectoral, macroeconomic, political, regulatory – that can have a bearing on CIMA’s performance and our ability to serve the needs of our members and students.

The increasing adoption of global finance architectures, including offshoring and outsourcing of finance and accounting activities, will be a continuing feature of our markets. We are likely to see both challenges and opportunities in the adoption of outsourcing by large employers.

CIMA Annual Review 2006 26

Click here to go back to the contents
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• Global strategic importance – determined according to a range of economic, political and social criteria. These enable us to focus on the attractiveness of a particular market for business (employers) and its relevance to CIMA’s key objectives.

We base these assessments not only on historical performance but on expectations about conditions over the next ten years or more.

We constantly monitor opportunities and risks – internal, sectoral, macroeconomic, political, regulatory – that can have a bearing on CIMA’s performance and our ability to serve the needs of our members and students.

The increasing adoption of global finance architectures, including offshoring and outsourcing of finance and accounting activities, will be a continuing feature of our markets. We are likely to see both challenges and opportunities in the adoption of outsourcing by large employers.

KPI 3: To increase employer partnerships
Worldwide we have 3,840 employers, 377 over our 2006 target, as CIMA Training Partners since revising our student support scheme in 2003. Within the UK, over 2,400 employers, representing 9,984 students, or 23% of our UK student body, are involved. Our share of students compared to those of other accounting bodies in these partner organisations has grown from 71.5% to 84.5%. In 2007 our target for employer partnerships is 4083.

KPI 4: To retain the right people
CIMA aims to retain high quality and talented people and measures this through voluntary retention. In 2006 CIMA targeted an 80% voluntary staff retention level (78% achieved in 2005) and achieved 82%. Encouraging secondments and internal promotions, embarking on substantial management capability training and reviewing benefits packages are three of the key initiatives in place for retaining employees.

In 2006, there were 21 CIMA people studying for professional qualifications ranging from those of CIMA to the Chartered Institute of Marketing and the Chartered Institute of Personnel and Development. Overall, there were 41 internal secondments and promotions. Having achieved a voluntary retention rate increase of 4% over 2005, we were also encouraged by positive developments in the feedback from an employee survey. This showed an increase in employee satisfaction levels.

CIMA gained re-accreditation in 2006 against the new Investors in People standard, which places increased emphasis on culture and management capability.

CIMA aims to maintain a level of reserves that underpins our financial well being. Reserves above that level provide the basis for investment in the achievement of CIMA’s 2010 strategy.

CIMA’s liquid reserves (current assets) grew by £2.5m in 2006 as a result of increasing cash balances through the annual surplus and improved revenue collection. This achievement took the value of reserves above target for the first time and represents years of effort in rebuilding reserves after a period of heavy investment.

We plan a continued modest growth, but our priority is reserve maintenance at the right level to provide CIMA with a firm financial foundation.

The future
To best serve our members, we must be aware of changes in the financial and regulatory climates in which they and employers operate.

These factors have a major bearing on the way we appraise markets for future investment. To that end, we apply two main criteria:

• CIMA strategic importance – for which the measure is the level of current and sustainable CIMA members and students, together with brand awareness in the market.

• Global strategic importance – determined according to a range of economic, political and social criteria. These enable us to focus on the attractiveness of a particular market for business (employers) and its relevance to CIMA’s key objectives.

We base these assessments not only on historical performance but on expectations about conditions over the next ten years or more.

We constantly monitor opportunities and risks – internal, sectoral, macroeconomic, political, regulatory – that can have a bearing on CIMA’s performance and our ability to serve the needs of our members and students.

The increasing adoption of global finance architectures, including offshoring and outsourcing of finance and accounting activities, will be a continuing feature of our markets. We are likely to see both challenges and opportunities in the adoption of outsourcing by large employers.

KPI 5: To increase reserves
CIMA aims to maintain a level of reserves that underpins our financial well being. Reserves above that level provide the basis for investment in the achievement of CIMA’s 2010 strategy.
The Customer Relationship Management Solutions (CRMS) programme, which began in 2006, is a three year development project. It will further develop our capability to create, maintain and analyse customer information to enable us to make better informed decisions and assist in identifying risk and opportunity.

Continual process improvement is the key to CIMA’s ongoing efficiency. Online communication and transaction processing continues to enable larger volumes to be processed with similar levels of staff. We have also made significant efforts to improve the coordination of our activities throughout CIMA.

Operations
During the year we have upgraded office accommodation in most of our non-UK offices, either through increasing available space (Sri Lanka) or moving into modern business accommodation (Australia, China, Ireland and Malaysia).

The outsourcing of business critical IT provision has improved CIMA’s business continuity structure and brought additional expertise to the organisation in the running of our core infrastructure.

In 2006 we upgraded the core membership and examination system. This has accelerated processing times and added functionality, providing a continuing strong platform for our operations.

Customer data quality is a key challenge for many organisations. CIMA increased efforts in 2006 to improve the quality and range of customer based information. This is enabling us to better target our chosen markets and to undertake information analysis that will transform the way we use our customer database.

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Regulatory environment
CIMA remains supportive of the strategies of the Financial Reporting Council (UK) which continues to be at the forefront of best practice in promoting the relevance, excellence and probity of professional accountants. In the UK, HM Treasury issued a consultation on the implementation of the EU 3rd Money Laundering Directive, which proposed oversight for CIMA members on a basis which we felt to be unacceptable. Following a strong response from CIMA, HM Treasury is expected to accept that we should become a self-regulating body for this purpose. If agreed, this would strongly support the working environment in which our members function.

CIMA made a full response to a consultation by the Irish Auditing and Accounting Supervisory Authority (IAASA) on the legal recognition of the title ‘accountant’. The minister has since encouraged the profession to put forward possible legal drafting to support this, and CIMA participated in a joint response from CCAB-Ireland. This work, and that with the Professional Oversight Board, is very much aligned with CCAB’s wishes that the issue of legal protection for the title accountant held by professional persons in the UK.
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The trends of most relevance to CIMA are:

- future of the finance function
- future educational trends
- economic strengths of the global economy
- availability of quality people
- technological developments
- development of our competition

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In markets such as India and Sri Lanka, outsourcing offers significant opportunity to increase student and, thereby, member numbers. In this respect our recent work with a range of significant multinational employers bodes well.

CIMA is continually looking for new market possibilities and before we consider entering a new market, we need an overall positive position on the following factors:

- political environment
- macroeconomic environment
- market opportunities
- policy towards private enterprise and competition
- policy towards foreign investment
- foreign trade and exchange controls
- taxes
- financing
- the labour market
- infrastructure.

3. Our overall strategy

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Links with CIMA can help businesses offering highly skilled finance and accounting services become more successful. That has been the experience of Amba Research in Colombo, Sri Lanka.

"Our clients consider CIMA as a top class qualification, recognised by multinationals. Having CIMA professionals on board is a reassurance for us and for those we work with."

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"We have to deliver the same quality as analysts on Wall Street. Sri Lanka was the obvious choice for us to start our business because we found that CIMA provided an outstanding pool of professionals and a consistent student pipeline – essential for continuing growth," says Keren Stephen FCMA, Amba Research’s Senior Vice President of Research Delivery.

Amba Research has very specific recruitment criteria. Analysts must have core financial and analytical skills as well as excellent written and spoken English. ‘CIMA meets our requirements,’ Keren says. ‘The syllabus provides sound accounting knowledge with a strong focus on business analysis. Since it’s an international qualification, all examinations are carried out in English, which assures a certain level of fluency.’

The company is now an accredited CIMA Development Employer. ‘We’ve found from company reviews that our analysts are very ambitious and hungry for knowledge. By focusing on continuous professional development, we can meet these needs and fine-tune the way we develop their skills,’ Keren says.

Another reassuring factor for Amba Research is CIMA’s commitment to regular re-evaluation of the qualification to reflect the changing requirements of the business community. ‘It’s important to know that the knowledge brought into our business is up to date,’ Keren continues.

Today, more than 60% of Amba Research’s workforce in Sri Lanka is CIMA qualified. ‘One of the main benefits for us is that the pipeline is in place and the availability of future CIMA professionals is assured.’
Case study: Amba Research

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Our student recruitment and support activity involved joining an international education fair, organised by the PRC Ministry of Education. The exhibition reached out to over 50,000 visitors in the cities of Beijing, Xian, Shanghai, Xiamen and Shenzhen. CIMA also started to work with two local colleges in Beijing and Shanghai to deliver the Certificate in Business Accounting. Representatives from both of these colleges took part in the first CIMA Train the Trainer workshop in Asia Pacific, held in Kuala Lumpur.

Activities to promote Management Accounting in China over the year have included:
• continued cooperation with the Shanghai National Accounting Institute (SNAI)
• CIMA Transformation of the Finance Function seminar at the Central University of Finance and Economics, Beijing
• participation at the Shanghai University of Finance and Economics Management Accounting Conference
• opening discussions with the Chinese Institute of Certified Public Accountants (CICPA) around CPD and training.

In Hong Kong, CIMA’s president and chief executive signed an agreement with the Hong Kong Institute of Certified Public Accountants (HKICPA) following a mutual qualification review for exemptions.

Malaysia
For the third year running, CIMA Malaysia is organising NAfMA award in partnership with the Malaysian Institute of Accountants (MIA). The working partners of NAfMA are the National Productivity Corporation and the CIMA-UiTM Asian Management Accounting Research Centre. The awards were presented on 7 December 2006 in Kuala Lumpur by Malaysia’s Deputy Minister of Finance Dato’ Dr Ng Yen Yen.

Singapore
CIMA continued to work with third parties to deliver CPD activities in Singapore. The CIMA Strategic Scorecard™ was introduced.

A joint seminar was held with INSEAD on Enterprise Governance which was well attended by members and extensively reported in the media. A major conference on Finance Leadership Development is planned for April 2007.

Review by market
Africa
The Southern Africa region continues to grow satisfactorily with a strong pipeline of students to support future membership growth.

Employer activity increased in 2006 with a 42% increase in registered CIMA Training partners and a 50% increase in students on registered learnerships, an initiative promoted by the South African Government.

The region launched a Strategic Management Accounting Forum in conjunction with PricewaterhouseCoopers and the South African Institute of Chartered Accountants in 2006 to further develop and promote the importance of Management Accounting within the region. The Forum will also enhance CPD opportunities for members.

Alliance agreements were signed with the Zambian Institute of Chartered Accountants (ZICA) as well as the Institute of Directors of both Zimbabwe and South Africa.

Asia Pacific
The strengthening economies of the Asia Pacific region remain a key focus for CIMA. Increasingly, CIMA is gaining from media coverage such as BBC World as an industry commentator on the region.

Australia and New Zealand
Partner liaison was a theme throughout 2006, resulting in several successful business events. CIMA will continue to work with the Institute of Chartered Accountants of Australia (ICAA) to strengthen the alliance and provide increased local members’ benefits and services. In New Zealand, CIMA signed an agreement for closer collaboration with the respective national professional accounting body.

China
Our strategy remains to build brand recognition among key decision makers, with particular emphasis on multinational employers and national organisations. Our commitment to China has been re-enforced by establishing a Shanghai representative office this year. The office was opened in August and currently employs six staff, with a focus on marketing and business development.
4. Operating and financial review

Review by market

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Europe

In 2006 CIMA signed an agreement with the Shared Services Business Process Outsourcing Association (SBPOA) the leading forum for shared services and BPO in Europe.

CIMA sponsored the Controller Forum conference in Denmark on the subject of ‘Re-inventing the CFO’. In Poland, an agreement was signed with the British-Polish Chamber of Commerce Mastercourses through the Chamber’s Management Academy.

Ireland

The Irish market contains a significant amount of opportunity for CIMA. It is one of the few western economies which has a young and growing population, with net 2% inward migration per year and the highest proportion of under 15’s of any western economy.

2006 was a period of change and transition for CIMA in Ireland. The strong economy, population growth and increasing presence of multinational and national companies have necessitated an increased focus on employer strategy to drive CIMA growth. Research of customer needs was undertaken and its findings and conclusions will provide a road map for CIMA’s developing offering to corporate customers.

Consequently, CIMA is working closely with employers to highlight the benefits of training CIMA students and hiring CIMA qualified staff.

UK

Membership in the UK grew by 3.3% in 2006.

Latest figures from Public Oversight Board (November 2006) indicate that CIMA is now the largest CCAB body in the public sector with the gap increasing. CIMA has 11,504 members compared to ACCA with 10,959 and CIPFA at 9,088.

Alliance agreements with three key relationship partners – the British Council, Dun and Bradstreet and PricewaterhouseCoopers – will allow us to promote CIMA to a wider audience and to provide enhanced service to stakeholders.

Discussions on collaboration with the Institute of Chartered Accountants of India (ICAI) continue.

Our strategy for 2007 continues to focus on building the CIMA brand and reputation as well as pursuing the employer focus. We will continue to engage employers, with an emphasis on enhancing career opportunities for CIMA students and members. To that end, we are launching tuition partnerships that will increase the study options for the qualification of students. We will also build awareness of CIMA’s technical expertise in Management Accountancy through presenting seminars and events with our partners.

Sri Lanka

Despite an increasingly competitive environment, CIMA continues to dominate the business and finance accountancy landscape in Sri Lanka. We are continuing to show growth in both student and member numbers and are strengthening our relationships with key employers.

The new CIMA building, twice the size of its predecessor, was officially opened in April by the Sri Lankan Prime Minister, Rathnasiri Wickramanayake. The new building is a major milestone for CIMA Sri Lanka. It demonstrates CIMA’s commitment to the country as well as providing high levels of support and enhanced facilities to members and students. A second Technical Symposium was held in November on the theme Driving Superior Performance, which was fully booked by over 300 CIMA members and other finance managers.

A new series of panel discussions was initiated, in which members were invited to debate major national economic issues with senior government officials and business leaders.

Member satisfaction has remained very high with 93% of members expressing their satisfaction with the institute.

USA

CIMA continued to strengthen its relationship with AICPA. A series of web infocasts were held and promoted to all members of both bodies.

Risks and uncertainties

Risk management is a skill integral to management accountancy. Therefore, it is only natural that we identify the principal risks that CIMA faces in 2007 and beyond:

Operational failure. CIMA must maintain core operational activities. We manage this through the Core Process Review Board, which tracks operational progress, approves changes to process and monitors business continuity planning. The result is a high level of operational effectiveness that ensures delivery of services and products in a manner that represents good value for money for members, students, and our wider customer base.

Unplanned staff turnover. CIMA relies on a high quality, stable core workforce with appropriate skills and experience. Operating from major cities throughout the world places CIMA in highly competitive labour markets. Though this gives us access to a good employee pool, it exposes us to competition – making staff retention a key challenge.

Lack of expertise and resource to support strategy. CIMA must ensure effective management and organisation of human resources to support strategic delivery, which includes information technology and system, information and data, communications, buildings and financial resources. Annual business plans, coupled with specific strategic delivery plans ensure full business continuity.

Dependence on key partners. The activities undertaken by CIMA are wide ranging and often require a high level of specialist knowledge and skill. The most effective way of delivering this level of activity is to forge relationships with specialists in relevant fields. The challenge is finding the right partners and managing those relationships to achieve strategic objectives. By developing strong strategic and operational partnerships throughout the organisation, CIMA can exploit a much wider skill base than might be available.
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Consequently, CIMA is working closely with employers to highlight the benefits of training CIMA students and hiring CIMA qualified staff. In 2006 we launched the Computer Based Assessment centre in our offices in Pembroke Road. This was coupled with the launch of CIMA Direct. Both will offer students greater choice and flexibility in their CIMA studies.

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CIMA’s Annual Awards were again sponsored by the Financial Times, with winners from around the world. The Lifetime Contribution

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solely through internal development. CIMA’s international role is an advantage in this, exposing the organisation to greater diversity.

Decision making process. While CIMA places considerable emphasis on process and procedure in decision making, achieving the right balance between speed and good governance is always a challenge. Clear channels of communication and sound business cases are vital to CIMA’s ability to operate effectively.

Damage to CIMA’s reputation. This is a key element of our risk register, mitigated by a communications team of ten professionals who manage media relations, Financial Management magazine and CIMA newsletters as well as our website. CIMA’s marketing team has a focus to ensure our marketing collateral is accurate. We aim to ensure our syllabus is continually up to date and relevant to business through research, and that CIMA technical intellectual property and courses and conferences are fit for purpose in the development and promotion of the science of management accounting. Our professional standards, ethical code and disciplinary processes help to protect CIMA’s own high standing.

Financial impact of defined benefit pension fund. CIMA operates a defined benefit pension fund which is reported on its balance sheet. The Trustees manage the fund in line with their asset strategy (revised in 2006) and through appropriately frequent valuations of both the assets and liabilities. Although the fund is in deficit (£2.4m) this is being addressed within a ten year recovery plan.

Fast pace of change in developing markets. The Asia Pacific region remains vibrant, and continues to develop. The fast pace of development brings with it increased volatility and risks. These risks include political and economic disruptions as well as regulatory and market risk. Increased competition from other professional bodies is likely to be a feature of the market going forward and CIMA will endeavour to continue to deliver a superior value proposition to students, members and their employers.

Resources

Syllabus

Learning support to further improve pass rates is high on our agenda, taking into account new learning technologies and the needs of our students and their employers. With state of the art IT systems already in place to support student registration and examination entry CIMA plans to extend these advances into its learning support for students in the coming years. The pace of technological change and its impact on modes of learning available and acceptable to students and employers continues to accelerate. CIMA plans to shift its learning paradigm to reflect these changes, working in harmony with all of its stakeholders.

Damage to CIMA’s brand. With a strong brand name in established markets and increasing brand recognition in growing markets, CIMA must maintain a strong identity. Differentiation is the solution, ensuring that those who have, or could have, a relationship with CIMA recognise the strengths of the organisation as opposed to the competition. CIMA’s high profile also has a potential downside. Our leadership role makes us vulnerable to the fallout from any financial impropriety or scandal that occurs in our sector.

Adverse impact of competition. Increasingly competing accountancy bodies are challenging CIMA’s role in chosen markets. CIMA continues to pursue a differentiation strategy by building relationships with employers, using thought leadership, developing new products, reviewing CIMA’s syllabus on a regular basis and producing a relevant CPD programme and code of ethics.

Unforeseen market changes. Through market research programmes, competitor analysis, business and professional networks and the members’ network, CIMA tracks market place activity that could have an impact upon the organisation.

Damage to reputation of accountants. The impact of financial mismanagement can have a negative impact upon the whole accountancy profession. High profile examples have already undermined confidence among the general public, corporate investors and governments. Through CIMA’s high professional standards, rigorous regulations and clear ethical requirements, we aim to counteract negative impressions by providing an appropriate, enforceable framework within which CIMA members operate.

CIMA has again been deemed a UK Business to Business UK Superbrand for 2006/2007 by the UK Superbrand Council, an independent senior panel of judges.
Damage to CIMA’s reputation. This is a key element of our risk register, mitigated by a communications team of ten professionals who manage media relations, Financial Management magazine and CIMA newsletters as well as our website. CIMA’s marketing team has a focus to ensure our marketing collateral is accurate. We aim to ensure our syllabus is continually up to date and relevant to the development and promotion of the science of management accounting. Our professional standards, ethical code and disciplinary processes help to protect CIMA’s own high standing.

Financial impact of defined benefit pension fund. CIMA operates a defined benefit pension fund which is reported on its balance sheet. The Trustees manage the fund in line with their asset strategy (revised in 2006) and through appropriately frequent valuations of both the assets and liabilities. Although the fund is in deficit (£2.4m) this is being addressed within a ten year recovery plan.

Fast pace of change in developing markets. The Asia Pacific region remains vibrant, and continues to develop. The fast pace of development brings with it increased volatility and risks. These risks include political and economic disruptions as well as regulatory and market risk. Increased competition from other professional bodies is likely to be a feature of the market going forward and CIMA will endeavour to continue to deliver a superior value proposition to students, members and their employers.

Resources

Syllabus

Learning support to further improve pass rates is high on our agenda, taking into account new learning technologies and the needs of our students and their employers. With state of the art IT systems already in place to support student registration and examination entry CIMA plans to extend these advances into its learning support for students in the coming years. The pace of technological change and its impact on modes of learning available and acceptable to students and employers continues to accelerate. CIMA plans to shift its learning paradigm to reflect these changes, working in harmony with all of its stakeholders.
To match these changes we are undertaking a business process review of our examinations processes in order that our innovation is supported through new infrastructures. Recent research has also highlighted student demand for more diets of exams and we aim to respond to this need as soon as business readiness permits, with an increase to three diets a year being the preferred option. CIMA Education now has a lifelong learning agenda and CIMA’s new CPD Centre of Excellence and Courses and Conferences activities will be the launch pad for new post qualifying products and services to support not only our members’ increasing employability but also to support the CPD requirements of other finance and non-finance professionals.

People
CIMA has over 350 full-time employees based in 13 countries. The institute also enjoys tremendous support from its members who serve on council (the governing body of the institute); divisional councils, area, branch and other committees, and membership assessment panels, all of whom serve in an honorary capacity. Members and students also serve on student bodies or help in a representative or advisory capacity. As well as directly contributing to the institute, they facilitate the networking of members and students in a business, social and educational capacity. The website and electronic communication also provide an effective means of networking and communication.

Employer relationships
Our business development teams build relationships with employers, manage outbound telemarketing and develop university on-campus relations with colleges and students. Among the products and services they manage are the CIMA Training Partnerships, CPD Development accreditation and CPD products.

In 2006, CIMA’s employer relationship investment continued to bring benefits in the form of greater engagement with employers, high level contacts and greater understanding of employer needs.

Intellectual property
CIMA’s Thought Leadership project formed a major workstream during 2006 as we identified ways to further leverage our intellectual property for the increasing benefit of members and students. 2006 also saw the introduction of a new CPD Centre of Excellence which is intended to set the benchmark for innovation and best practice in CPD. It is focused on the development of products and services to support the career long development of our members and others working as accountants in business in both the private and public sectors. Activities will include working in partnership with a leading business school to undertake longitudinal research into stakeholders’ needs and changes in the finance function. During 2006 the centre recruited six new staff to implement it plans. Also highly relevant to CPD are the new professional accounting books launched by our CIMA publishing partner, Reed Elsevier plc.

Corporate Social Responsibility statement
CIMA is very aware of the important role it can play in bringing this area to the forefront of business current affairs. Guidance is issued to all students on commencement of their training, which defines the core ethical attributes a Chartered Management Accountant should hold and display. These attributes are integrity, objectivity, professionalism, competency and due care, confidentiality and professional behaviour. The guidance also explains their responsibility to the collective well being of the community of people and institutions that professional accountants serve. It specifically notes the wider duty of care they owe, beyond their employer or client, and offers guidance on the actions to be taken should an ethical conflict arise.

CIMA also recognises the importance of investment in its own employees, and the link between satisfied staff and satisfied stakeholders. To this end, it has implemented extensive health and safety, employee satisfaction, learning and development, and performance appraisal programmes. Vacancies are filled from within CIMA wherever possible. Climate change became ever more topical throughout 2006. The world’s resources are finite and becoming more expensive. Many environmental costs and impacts are still external to businesses, but these will increasingly have to be taken into account in decision making.

Accounting for sustainability is clearly in the domain of management accountants, since it involves measurement and strategic decision-making in business. The institute intends to remain at the forefront of Corporate Social Responsibility (CSR) developments and would encourage all members to keep up to date on the subject and take the lead when the time comes to account for sustainability in their own organisation.

CIMA’s view is that good business has always been about sustainability. It is relevant to both the conformance and performance aspects of enterprise governance. It is about getting the balance right and taking an ethical, enlightened shareholder value approach to income and value, costs and risks in decision making in the interests of the business’s long run economic survival for the benefit of all its stakeholders.

CIMA was invited to chair a session on CSR at the World Congress of Accountants in Istanbul in November 2006. We announced there that CIMA sponsored research (Adams and Frost) had considered 200 companies’ CSR reports. Despite the rhetoric, they found few meaningful measures of performance. Detailed interviews with best practice organisations confirmed that varying and ad hoc approaches are taken to assembling sustainability information and integrating it into decision making.

Management accountants can help make the rhetoric real. They already play a leading role in the identification, collection, analysis and reporting of both monetary information on environment related earnings, costs and risks and physical information on the use of resources and the generation of waste and emissions. CIMA will continue to provide thought leadership and promote best practice in this area.

This year’s annual CIMA Financial Management Award for Corporate Social Responsibility recognised Radio Taxis Group, London as an organisation able to demonstrate that its business practices produce an overall positive impact on society. By adopting an ambitious project to offset their carbon emissions, Radio Taxis has become the world’s first carbon neutral company in its industry. The company has demonstrated a clear business performance link to this strategy by calculating the value of the media coverage this achievement has earned and the amount of new business won by raising the company profile in this positive way.

In line with the CIMA business plan drawn up in 2006, this year we are more formally and cohesively addressing our approach to CSR. From this year, managers of workstreams and projects will be required to assess and where possible, mitigate CIMA’s environmental impact.

Internationally the CIMA in Sri Lanka and the Global Compact office announced an agreement in January 2007 to collaborate on awareness raising efforts with companies in Sri Lanka about the corporate citizenship initiative. To that end, we will organise and conduct outreach events and training programmes aimed at turning global compact principles into sound local business practices.
To match these changes we are undertaking a business process review of our examinations processes in order that our innovation is supported through new infrastructures. Recent research has also highlighted student demand for more diets of exams and we aim to respond to this need as soon as business readiness permits, with an increase to three diets a year being the preferred option. CIMA Education now has a lifelong learning agenda and CIMA’s new CPD Centre of Excellence and Courses and Conferences activities will be the launch pad for new post qualifying products and services to support not only our members’ increasing employability but also to support the CPD requirements of other financial and non-finance professionals.

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CIMA Annual Review 2006 39
Financial review

The Financial Statements for 2006 include the four Charities and other funds associated with CIMA (the General Charitable Trust, the Benevolent Fund and the Anthony Howitt Lecture Trust and the Prize Fund). This is in accordance with International Accounting Standard 27. The commentary below relates primarily to the operating activity of CIMA.

Revenues and costs

In 2006, CIMA generated operating revenues of £38m, 15% higher than in the previous year. The majority of revenue is derived from members and student subscriptions, followed by examination related activity, goods and services, investment income and income generated on the pension fund investments. Membership grew by 3.5% to 70,016 and the student population by 2% to 88,265. Subscription rates increased by 8.6% for members and 4% for students, lifting subscription revenues by 10% (£1.8m) to £20.8m.

While CIMA’s focus is on growing the membership base, increasing revenues from non-subscription and exam-based activity provided an important contribution to the revenue mix, raising it by £1.7m (19%) over the previous year.

Courses and Conferences had a particularly successful year, increasing revenues by 30% (£0.6m) through the support for ongoing technical training and member’s continuous professional development. Sponsorship for CIMA events also rose in the year by £0.2m (62%). Higher cash holding with relatively stable interest rates improved interest income by 13% (£0.1m). The expected return on pension scheme assets generated income of £1.2m, 21% higher than in the previous year.

The growth in revenues enabled CIMA to increase expenditure on member and student services by 21%, professional standards by 22% and education by 6%. Operational costs increased by 2%. With heightened demand from new markets globally it is essential that CIMA can support student recruitment activities and member and employer services on an increasing scale. This is where we are channeling the additional subscription revenues.

CIMA continually keeps operational costs under review. The main areas of increased expenditure are global IT and communications capability and training and development for employees. Successful completion of an upgrade to the customer relationship system during 2006 kept CIMA at the forefront of software releases.

Against a background of continuing training in technical and soft skills, CIMA launched an 18 month leadership development programme for all managers in 2006.

Property costs in London reduced as a result of a reduction in necessary maintenance work and a rates review, which generated a rebate. Office moves in Ireland, China and Malaysia incurred relocation and fitting out costs in 2006. There was also a rental charge for the new Malaysia premises, which are now leased.

Expenditure in developing business outside the UK, particularly in the Asia Pacific region, China and India, reflected higher CIMA activity in these regions. Five years ago 35% of new students recruited lived in countries outside the UK, by 2006 that proportion had risen to 45%.

In addition to business development, professional standards also received greater investment, both to support CIMA’s involvement with external standards setters and regulators and to monitor members’ professional development and conduct.

CIMA technical accounting research continues to be an area of increasing influence for which investment is growing. Increases in education costs in 2006 largely focused on supporting the provision of examinations to an expanding student population.

Balance sheet

Capital expenditure in the year remained relatively low at £0.7m, most of which related to upgrade of technology and the upgrade of the customer relationship system. Consequently, with the depreciation charge for historic assets outweighing current spend, fixed asset valuations fell by £1m.

CIMA did not add to its equity based investment fund in 2006. However, the fund grew by 5%. Cash holding increased by £3.6m during the year, maintaining CIMA’s strong position. It should be noted that CIMA’s cash profile throughout the year fluctuated significantly, peaking at £24m and bottoming out at £14m. CIMA’s year-end liquid reserves (net current assets) closed at £6m, £2m higher than the minimum risk related target holding. This demonstrates CIMA’s desire to strengthen the balance sheet and provide a solid financial platform while pursuing our global expansion strategy.

Debtor’s closed the year £0.6m higher than the previous year. This was largely due to the sale of the Malaysian property and the timing of UK property rental payments. Creditors at year end were £1.7m higher than the previous year as a result of strong advance subscription collections (£1.2m) and the year-end timing of trade creditor payment processing (£0.5m).

Pensions and risks

During the year, the Pension Trustees did a further valuation of the fund (at 1 April 2006), taking into account the requirements of the Pension Regulator and their obligation to act prudently in the interests of the beneficiaries. Revised maturity tables were adopted (year of birth method) along with a reduction in the deficit correction period from 13 years to 10 years (at the outer parameter for the Regulator, reflecting CIMA’s strong financial covenant).

In addition to which the rate of investment return for pensions payments pre and post retirement has been equalised. The valuation was consistent with the IAS 19 approach and produced a deficit of £3.3m. Consequently the Trustees agreed with the employer an increase in contributions to the fund which, from 1 January 2007, will be met through an increase in the ongoing regular contribution of 3.6% for future contributions (totaling 22.8% of pensionable salaries) and £160k per annum (to £460k) to finance past service deficit. Updating of the year end IAS19 calculation reflected market conditions and produced a deficit of £2.4m, reflecting improved asset valuations during 2006.

The Trustees also reviewed their investment strategy and during 2007 they will further align the volatility and return levels of their portfolio to the maturity of the liabilities.

The 2006 CIMA risk register was monitored and updated regularly with periodic reports to the Audit Committee. No material risks were experienced during the year, although the London and Sri Lankan offices were at heightened levels of security awareness.

The internal audit programme for 2005/06 covered competitor threats, contract management, regulatory compliance, financial payment and receipts processes, professional conduct and quality of published data. The Audit Committee reviews and monitors the results and action plans to address the issues raised.

John Windle
Director of Finance and Operations
23 March 2007
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In September 2006 PricewaterhouseCoopers (PwC) India established a new working relationship with CIMA, with special focus on the company’s new Centre of Excellence in Kolkata.

The centre’s Managing Director, Roopen Roy, is committed to high standards. ‘CIMA has been a pioneer in setting and continuously raising the bar of global professional standards in management accountancy,’ he says. ‘We are confident that by working together, we will be able to expand the pool of trained talent with international credentials – a critical piece in the jigsaw puzzle of our future success.’

That success will rely on staff retention – a growing challenge in a booming economy such as India’s. That is why PwC has been working closely with CIMA India to put together a trainee employment package that not only attracts the most talented trainees but retains their skills once they have qualified.

‘The PwC scheme is the first of its kind for us in India,’ says Swati Ghangurde, Chief Representative at CIMA’s India liaison office. ‘Generally it’s becoming more common for companies to offer reimbursement for study fees for professional qualifications, but not to go further in terms of support,’ she explains. ‘The package offered by PwC goes beyond fees and incentives to encompass international exposure, job rotation, mentoring and an in-house faculty dedicated to CIMA studies.’

Another innovation was tying the CIMA Certificate in Business Accounting (CBA) into the entry requirements for the recruitment package. With help from CIMA, PwC now provides India’s first in-company CBA assessment centre, allowing the company to identify talent among existing employees as well as in potential new recruits.

‘It’s a great combination and we’re looking forward to reaping the rewards of our alliance with CIMA.’

Sanjoy Sen
PricewaterhouseCoopers India

The Centre of Excellence specialises in providing accounting services and project management to PwC UK and its clients. Joining the core team of 60 employees in 2007 are up to 25 trainees for a 30 month training scheme fully integrated with the CIMA qualification. This was chosen because it has a much broader business approach than other qualifications and fits perfectly with the kind of services we provide,’ says Sanjoy Sen, one of the Centre’s partners.

Case study: PricewaterhouseCoopers India

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5. Accounts and information

Council statement
The following summary consolidated income statement, summary statement of changes in funds and summary consolidated balance sheet are an overview of the information that appears in the full financial statements, which have been audited and given an unqualified opinion.

Council approved the full financial statements on 23 March 2007. The summarised financial statements may not contain enough detail to allow for a complete understanding of CIMA’s financial affairs. For further information, the full financial statements, including the auditor’s report, should be consulted. They can be obtained from www.cimaglobal.com

Independent auditors’ statement to the members of the Chartered Institute of Management Accountants
We have examined the summarised financial statements of CIMA which comprise the summary income statement, summary statement of changes in funds and summary balance sheet of CIMA. The report is made solely to CIMA members as a body, in accordance with CIMA’s byelaws.

Respective responsibilities of Council and auditor
Council is responsible for the preparation of the summarised financial statements in accordance with the byelaws of CIMA and international accounting standards.

Our responsibility is to report to you our opinion on the consistency of the summarised financial statements contained within this annual review with the full financial statements. We have also read the other information contained within the annual review and have considered the implications for this statement if we become aware of any apparent misstatements or material inconsistencies with the summarised financial statements.

Basis of opinion
We conducted our work in accordance with Bulletin 1999/96, ‘The auditors’ statement on the summary financial statement’ issued by the Auditing Practices Board for use in the UK.

Opinion
The summarised financial statements are consistent with the full financial statements for the year ended 31 December 2006.

Chantrey Vellacott DFK,
LLP Registered Auditors
Russell Square House
10-12 Russell Square
London WC1B 5LF
23 March 2007

Corporate governance statement for 2006
CIMA is committed to the highest standards of corporate governance and supports the Combined Code published in July 2003 by the Financial Reporting Council. This code was drawn up for listed companies, and includes extensive guidance regarding institutional shareholders. As such, CIMA is not obliged or able to follow it completely. However, the CIMA Council is committed to implementing it as far as is applicable for a professional body. The full corporate governance statement is included in CIMA’s financial statements for 2006 and describes how the Council has applied and supported the principles in the interests of best practice.
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Council approved the full financial statements on 23 March 2007. The summarised financial statements may not contain enough detail to allow for a complete understanding of CIMA’s financial affairs. For further information, the full financial statements, including the auditor’s report, should be consulted. They can be obtained from www.cimaglobal.com

Independent auditors’ statement to the members of the Chartered Institute of Management Accountants
We have examined the summarised financial statements of CIMA which comprise the summary income statement, summary statement of changes in funds and summary balance sheet of CIMA. The report is made solely to CIMA members as a body, in accordance with CIMA’s byelaws.

Respective responsibilities of Council and auditor
Council is responsible for the preparation of the summarised financial statements in accordance with the byelaws of CIMA and international accounting standards.

Our responsibility is to report to you our opinion on the consistency of the summarised financial statements contained within this annual review with the full financial statements. We have also read the other information contained within the annual review and have considered the implications for this statement if we become aware of any apparent misstatements or material inconsistencies with the summarised financial statements.

Basis of opinion
We conducted our work in accordance with Bulletin 1999/96, ‘The auditors’ statement on the summary financial statement’ issued by the Auditing Practices Board for use in the UK.

Opinion
The summarised financial statements are consistent with the full financial statements for the year ended 31 December 2006.

Chantrey Vellacott DFK, LLP Registered Auditors
Russell Square House
10-12 Russell Square
London WC1B 5LF

23 March 2007

Corporate governance statement for 2006
CIMA is committed to the highest standards of corporate governance and supports the Combined Code published in July 2003 by the Financial Reporting Council. This code was drawn up for listed companies, and includes extensive guidance regarding institutional shareholders. As such, CIMA is not obliged or able to follow it completely. However, the CIMA Council is committed to implementing it as far as is applicable for a professional body. The full corporate governance statement is included in CIMA’s financial statements for 2006 and describes how the Council has applied and supported the principles in the interests of best practice.
Summary consolidated income statement

<table>
<thead>
<tr>
<th>Year ended 31 December</th>
<th>2006</th>
<th>Direct</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Income</td>
<td>expenditure</td>
<td>Net</td>
<td>Net (restated)</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>20,751</td>
<td>–</td>
<td>20,751</td>
<td>18,941</td>
</tr>
<tr>
<td>Members’ and students’ services</td>
<td>4,256</td>
<td>(18,642)</td>
<td>(14,386)</td>
<td>(11,753)</td>
</tr>
<tr>
<td>Professional standards</td>
<td>–</td>
<td>(1,927)</td>
<td>(1,927)</td>
<td>(1,578)</td>
</tr>
<tr>
<td>Education</td>
<td>10,758</td>
<td>6,063</td>
<td>4,695</td>
<td>3,999</td>
</tr>
<tr>
<td>Financial income and expense</td>
<td>1,867</td>
<td>(1,106)</td>
<td>761</td>
<td>422</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>37,632</td>
<td>(27,738)</td>
<td>9,894</td>
<td>10,030</td>
</tr>
<tr>
<td><strong>Indirect costs</strong></td>
<td>(8,257)</td>
<td>(8,131)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Foreign property impairments</strong></td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Operating surplus attributable to members</strong></td>
<td>1,637</td>
<td>1,956</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Charitable trusts and other funds</strong></td>
<td>(62)</td>
<td>(73)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total operating surplus</strong></td>
<td>1,575</td>
<td>1,883</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td>(18)</td>
<td>(37)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Surplus for the year</strong></td>
<td>1,557</td>
<td>1,846</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Summary statement of changes in funds

<table>
<thead>
<tr>
<th>Attribution to CIMA members</th>
<th>Accumulated fund</th>
<th>2000</th>
<th>Fair value reserves</th>
<th>2000</th>
<th>Total</th>
<th>Attribution to CIMA members</th>
<th>Trust reserves</th>
<th>2000</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 31 December 2005</strong></td>
<td>8,154</td>
<td>694</td>
<td>8,848</td>
<td>2,483</td>
<td>11,331</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Changes in funds for 2006</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealised gain on property revaluation</td>
<td>–</td>
<td>69</td>
<td>69</td>
<td>–</td>
<td>69</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealised gain on investment revaluation</td>
<td>–</td>
<td>140</td>
<td>140</td>
<td>280</td>
<td>420</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actuarial gain on pension scheme</td>
<td>801</td>
<td>–</td>
<td>801</td>
<td>–</td>
<td>801</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus/(deficit) for the year</td>
<td>1,619</td>
<td>–</td>
<td>1,619</td>
<td>(62)</td>
<td>1,557</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance at 31 December 2006</strong></td>
<td>10,574</td>
<td>903</td>
<td>11,477</td>
<td>2,701</td>
<td>14,178</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Summary consolidated balance sheet

<table>
<thead>
<tr>
<th>As at 31 December</th>
<th>CIMA excluding charities</th>
<th>2006</th>
<th>CIMA including charities</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>4,749</td>
<td>5,787</td>
<td>4,749</td>
<td>5,787</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>2,951</td>
<td>2,799</td>
<td>5,487</td>
<td>5,060</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,700</td>
<td>8,586</td>
<td>10,236</td>
<td>10,847</td>
<td></td>
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<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Inventories</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>2,357</td>
<td>1,785</td>
<td>1,926</td>
<td>1,668</td>
<td></td>
</tr>
<tr>
<td>Other cash and cash equivalents</td>
<td>16,724</td>
<td>13,159</td>
<td>17,676</td>
<td>13,753</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19,083</td>
<td>14,946</td>
<td>19,604</td>
<td>15,423</td>
<td></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>26,783</td>
<td>23,532</td>
<td>29,840</td>
<td>26,271</td>
<td></td>
</tr>
<tr>
<td>Funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accumulated fund</td>
<td>10,574</td>
<td>8,154</td>
<td>10,574</td>
<td>8,154</td>
<td></td>
</tr>
<tr>
<td>Fair value reserves</td>
<td>903</td>
<td>694</td>
<td>903</td>
<td>694</td>
<td></td>
</tr>
<tr>
<td>Charitable trusts and other funds</td>
<td>–</td>
<td>–</td>
<td>2,701</td>
<td>2,483</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11,477</td>
<td>8,848</td>
<td>14,178</td>
<td>11,331</td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>5,599</td>
<td>5,080</td>
<td>5,955</td>
<td>5,335</td>
<td></td>
</tr>
<tr>
<td>Current tax payable</td>
<td>19</td>
<td>37</td>
<td>19</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Subscriptions and fees received in advance</td>
<td>7,285</td>
<td>6,114</td>
<td>7,285</td>
<td>6,114</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12,903</td>
<td>11,231</td>
<td>13,259</td>
<td>11,486</td>
<td></td>
</tr>
<tr>
<td>Retirement benefit obligation</td>
<td>2,403</td>
<td>3,453</td>
<td>2,403</td>
<td>3,453</td>
<td></td>
</tr>
<tr>
<td><strong>Total funds and liabilities</strong></td>
<td>26,783</td>
<td>23,532</td>
<td>29,840</td>
<td>26,271</td>
<td></td>
</tr>
</tbody>
</table>

Signed on behalf of Council

John Coghlan
President

Gordon Grant
Deputy President

23 March 2007
### Summary consolidated income statement

<table>
<thead>
<tr>
<th></th>
<th>2006 Direct Income £000</th>
<th>2006 Direct expenditure £000</th>
<th>2005 Direct Net (restated) £000</th>
<th>2005 Direct Net (restated) £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscriptions</td>
<td>20,751</td>
<td>-</td>
<td>20,751</td>
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<td><strong>(27,738)</strong></td>
<td><strong>9,894</strong></td>
<td><strong>10,030</strong></td>
</tr>
</tbody>
</table>

Indirect costs (8,257) (8,131)

Foreign property impairments -- 56

Operating surplus attributable to members **1,637** **1,956**

Charitable trusts and other funds (62) (73)

**Total operating surplus** **1,575** **1,883**

Taxation (18) (37)

**Surplus for the year** **1,557** **1,846**

### Summary consolidated balance sheet

<table>
<thead>
<tr>
<th></th>
<th>CIMA excluding charities 2006 £000</th>
<th>CIMA excluding charities 2005 £000</th>
<th>CIMA including charities 2006 £000</th>
<th>CIMA including charities 2005 £000</th>
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<tbody>
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<td></td>
<td></td>
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<td>14,946</td>
<td>19,604</td>
<td>15,423</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
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<td>1,785</td>
<td>1,926</td>
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<tr>
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<td>13,159</td>
<td>17,676</td>
<td>13,753</td>
</tr>
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<td>26,783</td>
<td>23,532</td>
<td>29,840</td>
<td>26,271</td>
</tr>
</tbody>
</table>

### Summary statement of changes in funds

<table>
<thead>
<tr>
<th></th>
<th>Accumulated fund £000</th>
<th>Fair value reserves £000</th>
<th>Total £000</th>
<th>Charitable Trust £000</th>
<th>Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accumulated fund</strong></td>
<td>10,574</td>
<td>8,154</td>
<td><strong>18,728</strong></td>
<td><strong>11,331</strong></td>
<td><strong>20,059</strong></td>
</tr>
<tr>
<td><strong>Fair value reserves</strong></td>
<td>903</td>
<td>694</td>
<td><strong>1,597</strong></td>
<td><strong>1,597</strong></td>
<td><strong>1,597</strong></td>
</tr>
<tr>
<td>Charitable trusts and other funds</td>
<td>2,701</td>
<td>2,483</td>
<td><strong>5,184</strong></td>
<td><strong>5,184</strong></td>
<td><strong>5,184</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,903</strong></td>
<td><strong>11,231</strong></td>
<td><strong>24,134</strong></td>
<td><strong>26,515</strong></td>
<td><strong>29,644</strong></td>
</tr>
</tbody>
</table>

**Retirement benefit obligation** 2,403 3,453 2,403 3,453

**Total funds and liabilities** 26,783 23,532 29,840 26,271

Signed on behalf of Council

John Coghlan
President

Gordon Grant
Deputy President

23 March 2007
CIMA’s Council and Executive Committee

Meetings attended by members of CIMA’s Council and Executive Committee (January 2006 to December 2006)

<table>
<thead>
<tr>
<th>Name</th>
<th>Area</th>
<th>Council</th>
<th>Executive</th>
<th>Area</th>
<th>Council</th>
<th>Executive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barlow G L</td>
<td>1</td>
<td>5/5</td>
<td>5/6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bardwell Spring A P</td>
<td>17</td>
<td>5/5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bard J H</td>
<td>8</td>
<td>5/5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banham R</td>
<td>11</td>
<td>5/5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banks-Cooper S A</td>
<td>5</td>
<td>3/5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barnat D</td>
<td>5</td>
<td>5/5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brawner C</td>
<td>9</td>
<td>4/5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bush D J</td>
<td>18</td>
<td>4/5</td>
<td>17/3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Callender J</td>
<td>7</td>
<td>5/5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chan R J C</td>
<td>15</td>
<td>5/5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Christison I</td>
<td>17</td>
<td>3/5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clutterham R M</td>
<td>1</td>
<td>5/5</td>
<td>6/6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coogan</td>
<td>J P</td>
<td>5</td>
<td>5/5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Connell W R # co</td>
<td>1/1</td>
<td>1/2</td>
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<tr>
<td>Cummings B</td>
<td>3</td>
<td>2/1</td>
<td></td>
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</tr>
<tr>
<td>Davies R J</td>
<td>11</td>
<td>5/5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evans P + co</td>
<td>4/4</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ferrisworth W J + **</td>
<td>6</td>
<td>5/5</td>
<td>4/6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farley M J</td>
<td>10</td>
<td>5/5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Senior Council Officers
- President: John Coogan
- Deputy President: Gordon Grant
- Vice President: Glynn Lowth

Key:
- Council Member
- President
- Deputy President
- Vice President
- Past President
- Immediate Past President
- Co-opted
- Non-CIMA Member
- Staff
- Appointed affective from AGM 2006
- Left C CoA/Executive Committee at AGM 2006
- Joined the Executive Committee November 2006
- Left Executive Committee October 2006
- Reinstated June 2006
- Reinstated October 2006
- Elected 18 December 2006

Executive Committee Meetings
** alternate for two meetings (Kenneth C Chan)
*** alternate for one meeting (Jim Haggis)

CIMA Representatives on external boards and committees as at 31 December 2006

<table>
<thead>
<tr>
<th>Board or Committee</th>
<th>CIMA Representative</th>
<th>Board or Committee</th>
<th>CIMA Representative</th>
</tr>
</thead>
</table>
| Consultative Committee of Accountancy Bodies (CCAB) | John Coghlan* | Company Law and Corporate Governance Working Party | Richard Mallett |}
| In attendance      | Gordon Grant*     | Ethics Working Party | Danielle Cohen |
| CCAB Ethics Group  | Nina Barakaza      | Financial Reporting Policy Group | Jim Metcalf |
| CCAB European Issues Task Force | Richard Mallett |        | Nick Topacios |
| CCAB International Issues Task Force | Richard Mallett | Liberalisation/Qualification Education Sub Group | Robert Jelly |
| Executive as IFAC Board Member for the UK | Charles Tilley | Sustainability Working Party | Martin Houlder |
| CCAB Money Laundering Working Party | David Cafferty | Council of the Association of Accounting Technicians (AAT) | Karen Newbury |
| CCAB Ireland (CCABI) | Peter Summerfield | 2nd out of 3 years (1st term) | John Joyce |
| CIMA Member Representative (Republic of Ireland) | Graham Kane | 3rd out of 3 years (1st term) | Karen Newbury |
| CIMA Member Representative (Northern Ireland) | Martin Nimmo | 3rd out of 3 years (2nd term) | Phil Willsworth |
| International Federation of Accountants (IFAC) | John Coghlan* | Financial Executives Group Ltd (FEG) |          |
| The Council CIMA Representative | John Coghlan* | Director | Harry Byrne |
| The Board Member | Charles Tilley | Director | Jim Metcalf |
| Professional Accountants in Business Committee |           | Director | Pat Redrup |
| UK Representative and Chairman | William Connell |          |          |
| Member | Neil Kennedy | HM Revenue and Customs Joint VAT Consultative Committee | Keith Lawrence* |
| Technical Adviser | Richard Mallett |          |          |
| International Accounting Education Standards Board |           |          |          |
| Technical Adviser | Robert Jelly |          |          |
| Developing Nations Permanent Task Force |           |          |          |
| Member | Lalith Fonseka |          |          |
| Technical Adviser | Kathy Grifenhaw |          |          |
| Federation des Experts Comptables Européens (FEE) |           |          |          |
| Accounting Working Party | Jim Metcalf |          |          |
| Auditing: Internal Control Sub Group | James Duckworth |          |          |
| Auditing: Money Laundering Sub Group | Martin Nimmo |          |          |

Other Senior Appointments held by CIMA Members
- UK Financial Reporting Council (FRC) | Rosemary Stone (Chairman) |
- Council Member | Rosemary Stone |
- UK FRC Financial Reporting Review Panel | Barbara Monmouth |
- Chair | Rosemary Stone |
- UK FRC Accounting Standards Board | Helen Wigg |
- Chair | Helen Wigg |
- UK FRC SME Audit Sub-Committee | Craig Jenkins |
- Chair | Craig Jenkins |
- Council of the Association of Accounting Technicians (AAT) | Rod Davies* |
- Council Member | Rod Davies* |
CIMA’s Council and Executive Committee

Meetings attended by members of CIMA’s Council and Executive Committee (January 2006 to December 2006)

<table>
<thead>
<tr>
<th>Name</th>
<th>Area</th>
<th>Council Executive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baber G L</td>
<td>1</td>
<td>5/5 5/6</td>
</tr>
<tr>
<td>Barnards Spring P</td>
<td>1</td>
<td>5/5</td>
</tr>
<tr>
<td>Baird J H</td>
<td>8</td>
<td>5/5</td>
</tr>
<tr>
<td>Barden R E</td>
<td>11</td>
<td>5/5</td>
</tr>
<tr>
<td>Banks-Comper S A</td>
<td>5</td>
<td>3/5</td>
</tr>
<tr>
<td>Barnett D</td>
<td>5</td>
<td>5/5</td>
</tr>
<tr>
<td>Bewick C</td>
<td>9</td>
<td>4/5</td>
</tr>
<tr>
<td>Bush D</td>
<td>18</td>
<td>4/5 1/73</td>
</tr>
<tr>
<td>Callander J</td>
<td>7</td>
<td>5/5</td>
</tr>
<tr>
<td>Chan K K C</td>
<td>15</td>
<td>5/5</td>
</tr>
<tr>
<td>Christian J M</td>
<td>5</td>
<td>5/5 6/6</td>
</tr>
<tr>
<td>Clutterham R M</td>
<td>1</td>
<td>5/5</td>
</tr>
<tr>
<td>Coghtan P</td>
<td>5</td>
<td>5/6 5/6</td>
</tr>
<tr>
<td>Connell W</td>
<td>4/5</td>
<td></td>
</tr>
<tr>
<td>Cram R</td>
<td>3</td>
<td>5/6</td>
</tr>
<tr>
<td>Davies B J</td>
<td>11</td>
<td>5/5</td>
</tr>
<tr>
<td>Evans R</td>
<td>4/4</td>
<td></td>
</tr>
<tr>
<td>Fenwick W J</td>
<td>6</td>
<td>5/5 4/6</td>
</tr>
<tr>
<td>Farley M</td>
<td>10</td>
<td>5/5</td>
</tr>
</tbody>
</table>

Senior Council Officers

President | John Coghlan
Deputy President | Gordon Grant
Vice President | Glynn Lowth

Key
Council Member |
President |
Deputy President |
Vice President |
Past President |
Immediate Past President |
Co-opted |
Non-CIMA Member |
Staff |
Appointments effective from 1 April 2006 |
Left Council/Executive Committee at AGM 2006 |
Joined the Executive Committee November 2006 |
Left Executive Committee October 2006 |
Resigned 2006 |
Resigned October 2006 |
Elected 18 December 2006

CIMA Representatives on external boards and committees

as at 31 December 2006

<table>
<thead>
<tr>
<th>Board or Committee</th>
<th>CIMA Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultative Committee of Accountancy Bodies (CCAB)</td>
<td>John Coghlan*</td>
</tr>
<tr>
<td>In attendance</td>
<td>Charles Tilby</td>
</tr>
<tr>
<td>CCAB Ethics Group</td>
<td>Nina Barakza</td>
</tr>
<tr>
<td>CCAB European Issues Task Force</td>
<td>Richard Mallett</td>
</tr>
<tr>
<td>CCAB International Issues Task Force</td>
<td>Richard Mallett</td>
</tr>
<tr>
<td>CCAB Money Laundering Working Party</td>
<td>David Cafferty</td>
</tr>
<tr>
<td>CCAB Ireland (CCABI)</td>
<td>Martin Nenmso</td>
</tr>
<tr>
<td>International Federation of Accountants (IFAC)</td>
<td>John Coghlan*</td>
</tr>
<tr>
<td>The Council</td>
<td>Charles Tilby</td>
</tr>
<tr>
<td>The Board</td>
<td>Member</td>
</tr>
<tr>
<td>Professional Accountants in Business Committee</td>
<td></td>
</tr>
<tr>
<td>UK Representative and Chairman</td>
<td>William Connell*</td>
</tr>
<tr>
<td>Member</td>
<td></td>
</tr>
<tr>
<td>Technical Adviser</td>
<td>Richard Mallett</td>
</tr>
<tr>
<td>International Accounting Education Standards Board</td>
<td></td>
</tr>
<tr>
<td>Technical Adviser</td>
<td>Robert Jolly</td>
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<tr>
<td>Developing Nations Permanent Task Force</td>
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<tr>
<td>Member</td>
<td>Latish Fonseka</td>
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<tr>
<td>Technical Adviser</td>
<td>Kathy Compahay</td>
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<tr>
<td>Federation des Expert Comptables Européens (FEE)</td>
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<tr>
<td>Accounting Working Party</td>
<td>Jim Matofi</td>
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<tr>
<td>Nick Topalits</td>
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</tr>
<tr>
<td>Auditing: Internal Control Sub-Group</td>
<td>James Duckworth</td>
</tr>
<tr>
<td>Auditing: Money Laundering Sub-Group</td>
<td>Martin Nemnso</td>
</tr>
</tbody>
</table>

CIMA’s Council and Executive Committee

Click here to go back to the contents

5 Accounts and information
### CIMA's Executive Committee and Sub-Committee
as at 31 December 2006

<table>
<thead>
<tr>
<th>Executive Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
</tr>
<tr>
<td>Vice Chairman</td>
</tr>
<tr>
<td>Wulfrun*</td>
</tr>
<tr>
<td>Ian Christian*</td>
</tr>
<tr>
<td>Secretary</td>
</tr>
</tbody>
</table>

### Investment Performance Sub-Committee

| Chairman | Tony Clincy |
| Secretary | Mary Shepherd |

### Governance Committees
as at 31 December 2006

<table>
<thead>
<tr>
<th>Appointments Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
</tr>
<tr>
<td>Vice Chairman</td>
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<tr>
<td>Secretary</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Audit Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
</tr>
<tr>
<td>Vice Chairman</td>
</tr>
<tr>
<td>Secretary</td>
</tr>
</tbody>
</table>

### Independently Appointed Conduct Committees
as at 31 December 2006

<table>
<thead>
<tr>
<th>Investigation Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
</tr>
<tr>
<td>Vice Chairman</td>
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<tr>
<td>Secretary</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Disciplinary Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
</tr>
<tr>
<td>Vice Chairman</td>
</tr>
<tr>
<td>Secretary</td>
</tr>
</tbody>
</table>

### Other Committees, Boards and Trusts
as at 31 December 2006

<table>
<thead>
<tr>
<th>Benevolent Fund Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
</tr>
<tr>
<td>Vice Chairman</td>
</tr>
<tr>
<td>Secretary</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>CIMA Enterprises Ltd (CEL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Executive Director</td>
</tr>
<tr>
<td>Company Secretary</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CIMA China</th>
</tr>
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<tbody>
<tr>
<td>Director</td>
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<tr>
<td>Company Secretary</td>
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</table>

<table>
<thead>
<tr>
<th>General Charitable Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
</tr>
<tr>
<td>Vice Chairman</td>
</tr>
<tr>
<td>Secretary</td>
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</tbody>
</table>

### CIMA's Policy Committee
as at 31 December 2006

<table>
<thead>
<tr>
<th>International Development Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
</tr>
<tr>
<td>Vice Chairman</td>
</tr>
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<td>Secretary</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Marketing Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
</tr>
<tr>
<td>Vice Chairman</td>
</tr>
<tr>
<td>Secretaries</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Professional Standards Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
</tr>
<tr>
<td>Vice Chairman</td>
</tr>
<tr>
<td>Secretaries</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Members' Services Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
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<tr>
<td>Vice Chairman</td>
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<table>
<thead>
<tr>
<th>Technical Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
</tr>
<tr>
<td>Secretaries</td>
</tr>
</tbody>
</table>

### LifeLong Learning Policy Committee

| Chairman | Wulfranm* |
| Vice Chairman | Ian Haggis* |
| Secretaries | John Windle |

<table>
<thead>
<tr>
<th>Benevolent Fund Committee</th>
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<tbody>
<tr>
<td>Chairman</td>
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<tr>
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</tr>
<tr>
<td>Secretary</td>
</tr>
</tbody>
</table>
CIMA’s Executive Committee and Sub-Committee
as at 31 December 2006

Executive Committee
Chairman John Coghill
Vice Chairman David Stanford
Treasurer Tim Stewart
Secretary Robert Jelly

Investment Performance Sub-Committee
Chairman Roger Brook
Vice Chairman Tony Clinch
Secretary John Windle

CIMA’s Policy Committee
as at 31 December 2006

International Development Committee
Chairman Francis Rowlands
Vice Chairman Kenneth Chan
Treasurer Harald Baird
Secretary Alixe Bainbridge

Marketing Committee
Chairman Margaret May
Vice Chairman Michael Watson
Chairman Alan Abrams
Vice Chairman Robert Jung
Secretary Ray Perry

Professional Standards Committee
Chairman Guzlar Babbar
Vice Chairman Hirran Mendis
Chairman Ivan Court
Vice Chairman Colin Longhorn
Secretary Kevin Smear

Members’ Services Committee
Chairman Aubrey Joachim
Vice Chairman Bob Barcham
Chairman Rob Ballo-Jonas
Vice Chairman Alfred Ramsden
Secretary Robert Windle

Technical Committee
Chairman George Glass
Vice Chairman Alfred Ramsden
Chairman Steven Bliss
Vice Chairman Paul Koeus
Secretary Kim Ansell

CIMA’s Executive Committee and Sub-Committee
as at 31 December 2006

Audit Committee
Chairman Allan McNab
Vice Chairman Mike Jeane
Secretary Robin Clutterham

Appointments Committee
Chairman Ian Christian
Vice Chairman John Coghill
Chairman Rod Knox
Vice Chairman Steve Carter
Secretary Sue Hoof

Governance Committees
as at 31 December 2006

Investigation Committee
Chairman Caroline Langridge
Vice Chairman Martha Blomfield
Chairman Roger Brookbank
Vice Chairman James Bathurst
Secretary Sharon McCoo

Disciplinary Committee
Chairman Alexandra Marks
Vice Chairman Patricia Thomas
Chairman John Burns
Vice Chairman Cyril Barnett
Secretary Joanna Law

Appeal Committee
Chairman Kenneth Hamer
Vice Chairman Jeremy Strohman
Chairman Peter Aspinall
Vice Chairman Michael Brook
Secretary Joanne Laws

Independently Appointed Conduct Committees
as at 31 December 2006

Investigation Committee
Chairman Caroline Langridge
Vice Chairman Martha Blomfield
Chairman Roger Brookbank
Vice Chairman James Bathurst
Secretary Sharon McCoo

Other Committees, Boards and Trusts
as at 31 December 2006

Benevolent Fund Committee
Chairman Richard Kemsworth
Vice Chairman Jim McClusky
Chairman Richard Kemsworth
Vice Chairman Andrew Dalby
Secretary Caroline Aldridge

CIMA Enterprises Ltd (CEL)
Chief Executive Officer Charles Tiley
Director CIMA (Corporate Body)
Executive Director Robert Jelley
Executive Director Robert Jelley

CIMA China
Director CIMA (Corporate Body)
Director Kathy Grimshaw
Company Secretary Erica Lee

General Charitable Trust
Chairman Tom Clancy
Vice Chairman Harry Byrne
Secretary Paul Thackray

Company Secretary Erica Lee
The Chief Executive proposes and advises on strategy and policy to Executive Committee for initial discussion and formulation of strategy and policy to be approved by Council. Responsible for implementation and delivery of approved strategy and policy which Council monitors by report-back.

COUNCIL
John Coghlan - President
Honorary Officers
Members of Council

Council is the de facto board of directors to whom certain of the provisions of the Companies and Insolvency Acts apply.
Council is responsible for the setting of strategy and policy, determining and reviewing the vision, mission, values and space for CIMA and for the approval of any policy changes which may raise significant issues of principle or risk.

EXECUTIVE COMMITTEE

GOVERNANCE COMMITTEES

CELI [& other subsidiaries]
Benevolent Fund
Superannuation Fund

POLICY COMMITTEES

Audit
Appointments

General Charitable Trust

Professional Standards
International Development
Lifelong Learning
Marketing
Technical
Members’ Services

Financial Reporting Development Group
Research & Development Group
Regional Development Management Group
Members in Practice Management Group

Investigation
Disciplinary
Appeal

Examinations and Assessment Oversight Board

Education Board
Regulation & Monitoring

Membership Board

The CIMA Annual Review 2006