


communications
management
association



annual report & accounts

2000
2001



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CMA's Mission Statement and Regional & International Connections

CMA's Mission Statement

CMA's mission is to optimise the benefits provided by the communications environment to the public by representing, informing and enabling:

- Representing the interests of the business consumer community to the key influencing bodies;
- Informing the wider community through the dissemination of knowledge and intelligence;
- Enabling our membership and others through the provision of education, training and career development.

Regional & International Connections

CMA is essentially a national organisation and it is therefore natural that the majority of the Association's activities lie within the UK. However, the interests of members are increasingly being affected by events in Europe and, on an even larger scale, the world.

In major countries similar organisations exist and CMA has direct contacts with many of them. In addition there is a user orientated international "association of associations" the International Telecommunications Users Group - INTUG. CMA took an active part in establishing INTUG and now maintains regular and close contacts on a wide range of topics.

Explanation of the Charity's Objects

The telecommunications industry – the traditional focus of activity for the Association - began to lose stability during 1999 and its oscillations increased throughout 2000. The services offered by the suppliers, the way in which those services were delivered, and the terminal devices on which they were displayed became subject to the phenomenon of “convergence”. Picking up on the causes of change, and being alert to the impact on the professional needs of our members, your Board began the process of consulting widely on how best “TMA” (as it then was) could continue to serve the best interests of the user and consumer in what was becoming known as “the new economy”. In this new-look communications industry, the old comfortable definitions of roles and functions, technologies and supplier sectors, melted away. So did the familiar boundaries between them. The new technologies presented us with a seamless canvas, one that linked suppliers, providers, and content producers with consultants, business users and individual consumers.

This changing marketplace demanded fresh thinking from a new breed of management professional, one which combined hybrid communications technology and business skills. And that required (and will continue to require) expert support from a user-orientated and highly professional association: one that's already helping to shape the market of tomorrow, not responding to yesterday.

Your Board rose effectively to that challenge. The membership was consulted on the issues and the Board, being encouraged by a positive and enthusiastic response, consulted, for a second time, on some specific proposals for change to our Memorandum and Articles. Central to these were the recognition that “telecommunications” was but one element of a much wider “communications” profession that underpinned the delivery of e-Business, that the definition of

“user” must be much more widely drawn, and that the Association must change its name and its image if it were to continue to make an effective contribution to progress.

The objects for which the Association is established are “for the public benefit to advance and promote the science, technology, use and application of telecommunications and information systems and services which are dependent upon telecommunications as a means of delivery and distribution and to encourage the promotion and development and improvements in and improved means of the same and the use thereof both generally and in particular for organisations of all kinds.” Our Memorandum of Association goes on to say that “reference to “telecommunications” shall include information systems and services which are dependent on telecommunications as a means of delivery and distribution.”

This reference to our changing industry was approved as an amendment to our Memorandum at a General Meeting held in January 1999, and was the first, visible step along the road to change. All that has happened since has built on the wisdom and foresight of our predecessors in promoting that initial change and reached fulfilment when the 2000 AGM overwhelmingly endorsed a proposal that the Telecommunications Managers Association should become “Communications Management Association”, or CMA. CMA was formally launched at a ceremony on 26 September 2000. With the birth of CMA came a new Strategy and a new Mission Statement, both based soundly on the objects of the Association.

In the years ahead CMA's role will be: to further the interests of the business and corporate user community, to help shape and achieve the users' agenda. We will do that by fostering professionalism, exploiting the technologies, sharing the knowledge and empowering the business.

Chairman's Review 2001



jwright@thecma.com

Organisational Structure & Decision Making

CMA is led by a Board of 12 Trustees, one third of whom are elected annually by the membership, from the membership. In turn, the Board elects a Chairman from within its numbers, who serves for a nominal two-year term. The Board is responsible for the governance of CMA as a charity and as a company limited by guarantee.

The Board's actions and decisions are guided by and in accordance with the provisions of the Companies Act and the Charities Act (which is why Board members are both Directors and Trustees). As a matter of principle and of good practice, the Board deals with strategy and high level policy and no Trustee has any executive responsibility.

The Board's practice, maintained in the year under review, is to meet seven times a year. The business of the Board is addressed through a structured methodology, based on a standard agenda which is divided into areas of "Strategy" and "Reports and Recommendations".

Board papers are made available to Trustees ten days before each four hour meeting. Draft Minutes are produced within five days of the meeting and every Trustee has an opportunity to comment on the draft before the next meeting, when the Minutes are formally endorsed. Meetings are scheduled 12-18 months ahead.

Board meetings are kept free of 'detail overload', which can clog agendas and prevent effective governance. However, detail is not overlooked, and is dealt with in several formal sub-committees of the Board, among which are Finance, PR/Publications, Education and Membership, each chaired by a Trustee. Some sub-committees, such as Staff

Remuneration and Succession, meet only when the occasion demands. Other Trustees have individual oversight of policy, for example, in the Special Interest Groups and CPD development.

Executive authority - implementing CMA strategy and putting the Board's policies into effect - is vested in the Secretariat, headed by the Director General. The DG works very closely with the Chairman of the Board to ensure that the bond between Board and Executive is a strong one.

At the level where the work in support of our charitable objects is done, CMA is dependent on volunteers from the membership. We have at any one time up to 20 Special Interest Groups (SIGs) and regional or sector Forums, ranging from e-Business, through Fraud and Security, Local Loop Technologies and Internet to Consultancy, Business Continuity and the Scottish Forum. Each of these bodies is run by a Steering Group and each has its own Mission and targets within its programme. Trustees may not lead SIGs, but may serve on Steering Groups and attend SIG meetings. SIG leaders must bid for funding at the start of the year and are then free to manage their meetings in accordance with the needs of their members and the constraints of their budgets.

We hold a "Forum Day" every six months where SIG leaders gather for a two-way exchange of views and news with Trustees and the Secretariat. These meetings are an invaluable way of keeping the "volunteers" in close touch with the Board.

The Secretariat provides the essential permanence and continuity to CMA's programme. Not only are housekeeping duties such as book-keeping, support for the Board's meetings, editorial control of its membership publication, Newsline, and processing membership applications and renewals carried out, but also the SIG programme is co-ordinated and secretarial assistance for SIG leaders is

provided. Key projects are managed, such as our all-important website, the Communications Industry's annual dinner at TMA Convention, the charity's Annual General Meeting (and its array of associated tasks such as producing this Report, arranging for elections to the Board and auditing the accounts), ensuring that we respond to and influence major public consultations on our industry, and in this last year, our namechange to CMA. We do all that, and much more, with a staff of ten people.

CMA, as a charity, does not trade directly but, like many other charities, has a wholly-owned subsidiary for this purpose. TMA Ventures Ltd (TMAV) performs this role and it is upon the company's profits that the entire organisation relies for its financial income and long-term health. TMAV is led by its Managing Director and its main activity is the annual 'TMA Convention' in Brighton. However, it is also responsible for other events, which are featured in the Managing Director's contribution to this report, (see below).

The parent body, together with its SIGs, its new security related initiative – Institute for Communications Arbitration and Forensics, or "ICAF" - and TMAV, is beginning to be known as the "CMA Group". ICAF is referred to again later in this report.

Relationships with Other Bodies

CMA seeks to enhance and extend its influence through a number of bodies and associations which are active in the communications industry and which share some or all of CMA's objects. CMA has a variety of formal and informal links, with, for example, the Society for IT Management (SOCITM), the Armed Forces Communications Electronics Association (AFCEA), the Internet Society of England (ISOC), European Information Society Group (EURIM), Parliamentary IT Committee (PITCOM), International

Telecommunications User Group (INTUG), Telecommunications User Association (TUA), British Computer Society (BCS), and Institution of Electrical Engineers (IEE). In some cases, CMA has exchanged memberships while in others we might work together on a specific project of joint interest towards a common goal.

Review of Activities

Central to CMA's charitable objects is our influence on the wider communications community, where we constantly seek to improve quality, choice and price for all users of communications services for the common good. Examples of this include our Campaign, now in its second year, to bring broadband access to all UK users and consumers, wherever they might be. In this we have met with considerable success, in that the government has formally recognised the strength of the underlying case and is now actively searching for ways of funding those areas which the free market will not reach. We expect consultants to be appointed by the DTI in July 2001. This a far cry from the situation of two years ago, when deaf ears were being turned to our argument that "Access for All" was a valid - indeed an essential, social policy objective.

We have espoused equally vigorously the cause of capturing the users' view in the follow-up to the Communications White Paper, leading to a new Communications Act in 2003. Here we are working closely with EURIM and the leaders of the Communications Bill Team in DTI and we have already had an impact in areas such as the proposed Consumer Panel and the need for the new regulatory body, Ofcom, to have some responsibility for elements of consumer protection against fraud on the networks.

We have had less success in our campaign against the format of the infamous 3G spectrum auctions, where the over-riding demands of the Treasury sucked £22.5Bn from the industry. We worked in concert with TUA on fighting the economic arguments embraced by Treasury and we warned that the

user interest was being ignored. It gives us no pleasure to see our predictions of the consequences being enacted out in terms of real and possibly lasting damage to some suppliers nor to see the doubt and confusion that, at the time of writing, still reigns in the mobile broadband telephony market.

CMA's new Institute for Communications Arbitration and Forensics (ICAF) was mentioned earlier in this report. In the past year we have conducted extensive market research into the need for a national centre - a professional body in the truest sense - able to gain recognition, accredit training courses and award professional qualifications to those involved in the fight against the menace of cybercrime. As a result we became totally convinced of the urgent need for such a body and ICAF was created and formally launched on 3rd April 2001. The ceremony was attended by 9 senior judges and over 100 representatives of law enforcement agencies, our sister organisations and government. ICAF is off to a good start and we have high hopes of it in the coming year.

We have maintained our very active SIG programme and have introduced new features into our website (www.thecma.com) both to reduce the overhead cost of managing and co-ordinating the programme and also for the benefit of members in improving access to what is now a huge store of information on all aspects of communications. The SIG programme ran some 40 free events during the year, attended by a quarter of the membership. Individual attendances ranged from well over 100 (on e-Business themes) to figures in the teens for the more esoteric subjects such as billing and single-supplier groups. Our new South-West Forum got off to a good start and its first meetings have been well attended.

The most popular theme is undoubtedly e-Business and, for the second year running, we have focused our formal Education programme on e-Business related topics. Education ran ten events during the year, all of them over-

subscribed. We have continued to fund and support the qualifications and certification body, the ICT Management Board (ICTMB) and we have run three courses, at cost, on "basic telecommunications" for our colleagues in SOCITM and also for members of the NHS.

Production of our house journal, Newsline, has been outsourced with the objective of reducing costs. Editorial content has improved with the addition of professional editorial input. Further improvement in process and content will be addressed in the year ahead with the charity maintaining its strong commitment to the provision of an effective monthly communications vehicle for the dissemination of professional knowledge as well as updates on CMA developments, issues, news and activities of direct relevance to the membership.

Turning to the future and to the continued pursuit of our charitable objects, we have three major tasks which will occupy a significant slice of our human resources in the coming year. We intend to grow ICAF into a nationally recognised and respected Institute. We intend to integrate our SIG and Education programmes into a single thread, under unified management, and to introduce a form of attendance and personal achievement record that members can use, if they choose, to enhance their own learning experience and hence their employment potential. We also intend, as an essential adjunct to this, to further develop and refine our Continuing Professional Development pilot scheme, which was trialled, with mixed success, in the Consultancy SIG last year. And, finally, we have plans to further tighten the synergy between our website, www.thecma.com, and sites run by TMA Ventures and ICAF to ensure better coherence and to advance the profile of the CMA Group. We intend to improve the management of Newsline, part of which process will involve its re-titling to "Communications Management".

TMA Ventures

In order to broaden our revenue base TMA Ventures (TMAV) embarked upon a three year business development strategy.

The commercial world in which we operate is rapidly changing, with the growth of new media putting pressures on the advertising budgets of TMAV's customers and potential customers. Whilst TMA Convention in Brighton remains the main source of profit, the Board of TMAV believes that it is essential to develop online products both to strengthen Convention and to create alternative profit streams.

Online media constitute a new and growing phenomenon, one that requires the ability to be fleet of foot. Since its launch in July 2000 the Technology Channel has achieved significant progress. We are sure you will have visited the site (www.the-technology-channel.com) and seen for yourself the progress that has been made.

Although we are disappointed in the lack of subscription revenue generated by Tariff Online (TOLL), the Technology Channel has gained tremendous respect amongst advertisers and users alike. Indeed advertising revenue for the first nine months exceeded £500,000. Its appeal continues to grow and in the four weeks to the end of April 2001 the site received over 500,000 hits.

Convention last year was another resounding success. Research among attendees confirmed their belief that TMA Convention continues to be firmly ranked as the most important ICT event in Europe.

'Most Important ICT Event'

TMA Convention	50%
Networks	22%
Telecom Geneva	12%
Comms Solutions Europe	9%
CeBit	7%

Whilst other events have failed to track an ever changing industry, Convention has continued to evolve alongside the ICT technologies and has a solid base for future growth.

We believe that the development of a strong 'clicks and mortar' business by TMAV will give us an enviable position in what will continue to be one of the most attractive and dynamic of sectors.

With the current economic downturn and, in particular, the pressures on our traditional base, this strategy is imperative for our long-term success.

Finance

You will recall that the reported results of the year to 31 March 2000 showed a decrease in transfer value from TMA Ventures under the covenant to £442,580 resulting from investment in new products including, of course, the internet presence.

We also informed you that this was part of a three-year programme, which would result in further reductions in transfer values, including the year to 31 March 2001.

Accordingly, the TMAV transfer value to CMA for the year ending 31 March 2001 was £182,198.

In accommodating the investment programme, the Board maintains its vigilance in relation to all areas of expenditure. While the charity is not immune from the downturn in the ICT marketplace, we look forward to an increase in transfer value during next year.

We have, as has been mentioned elsewhere in this Report and is reflected in the accompanying chart, continued our charitable expenditure at previous levels to maintain the quality of our service to our members and the general public.

You will also note from the accounts that the Trustees had the property at Ranmore House re-valued during the year. Its present value is £1.4 million, a very satisfactory growth rate when compared to a cost of £864,000 in 1995.

Policy on Reserves

The development of products and services by TMAV is planned to result in an increase, in the coming year, in transfer value to CMA over FY 2000/2001. The process of expansion has been planned to take a further two years.

It will be seen from the Audited Accounts that it remains the Board's intention to build contingency reserves equivalent to two years expenditure; thereby continuing to protect CMA's ability to pursue its charitable objectives.

At 31 March 2001 our total reserves were £2,003,775 of which contingency reserves were £603,775.

Risks

CMA is active in an industry which is in the grip of unprecedented, even by its own chaotic standards, turmoil. Until March this year it was possible to believe that the most serious threat to the stock market sector was the deflation of the over-valued dot.com newcomers and it was this froth that was being blown away. After all, internet traffic was still growing at relentless speed.

Then came a series of damaging corporate warnings from real companies, with real profits, saying they could not meet market expectations. Ericsson, Cable and Wireless, BT, CISCO, Intel and Siemens are all among the long list of global brands which have and still are suffering the downturn and loss of confidence.

The drain of cash resulting from the 3G spectrum auction process was spectacular and even put some major lending institutions under pressure. The impact on CMA is that

sponsorship and advertising money, which would normally flow into TMA Ventures, is suddenly very tight as cost-cutting becomes the natural order. Some licensed operators have even axed their entire customer service divisions in a desperate attempt to survive, which makes our task of exerting influence on the industry that much harder.

As if that wasn't enough, the natural turbulence in the industry, which we have noted above, has even accelerated and the industry is still shrinking at the core as larger firms seek mergers or partners. The growth factor comes from the smaller companies and start-ups at the fringe, where the new economy still burns brightly. Unhappily for CMA, the newcomers are too small to be attractive customers of TMA Ventures and, in any case, are difficult to identify and reach.

Our traditional revenues from selling advertising in our publications are increasingly hard to maintain as advertising budgets are cut and as a proportion of advertising moves to an on-line environment. This is a shift in the balance of spend which we have no option but to track and exploit.

Overall, the situation translates to an uncertain availability of marketing funds from our traditional suppliers to our trading subsidiary, TMA Ventures. This manifests itself not only in magazine and web revenues but also in our annual Convention in Brighton.

Your Board is well aware of these risks and has adopted a comprehensive strategy aimed at mitigation of the possible impact on CMA. We have:

- Strengthened our sales capabilities in TMAV;
- Launched ICAF not only as a Professional Institute, but also as a vehicle to reach new revenue streams within our existing charitable objects;

- Redoubled our efforts to re-position Brighton as a "business communications" event;
- Exploited the TMAV website www.the-technology-channel.com as a means of attracting on-line advertising revenue not only from traditional sources but also from new media companies.

The Chairman and Trustees (who give up significant amounts of their private time to help run our Association) of CMA would like to thank all our volunteers - SIG leaders, members of Steering Committees and all other CMA members - for their hard work and dedication. We would also like to thank the suppliers in our industry who, despite current hardships, continue to support our activity through sponsorship in all its varieties. Whatever form the communications industry takes in the months to come, CMA will continue to help its members and others to exploit the technology for the common good.

Chairman's Review 2001



Directors' Report 2001

The directors have pleasure to present their thirteenth annual report and financial statements for the year ended 31 March 2001.

Status

The company is a registered charity, Charity Number 800354. On the 26 September 2000 the company changed its name to Communications Management Association from The Telecommunications Managers Association, to more accurately reflect the nature of the environment in which the charity operates.

Activity

The principal activity of the company during the year continued to be:

- To influence the communications environment for the benefit of users;
- To optimise the role of communications in the development of information services;
- Through a process of education, to improve the overall and specific skill levels in the practice of telecommunications management.

The principal activity of its one trading subsidiary company, TMA Ventures Limited, is that of generating funds for the benefit of the holding company, the whole trading surplus of this company being covenanted to the holding company.

Results

The results of the group for the year ended 31 March 2001 are as set out on page 13 to the financial statements.

Share Capital

The company is limited by guarantee and has no share capital. Every member of the company has a limited liability in the event of the company being wound up. Each current member may be called upon to contribute such amount as may be required not exceeding £1.

Directors

The company is managed by its Board of Trustees, the members of which are directors of the company. The following were directors during the year under review:

J Wright	Chairman	
S Dalby	Vice-Chairman	
P Scutchings	Finance	
K R Clark	Director	
M J S Hart	Director	(Resigned 6 July 2000)
C Kimber	Director	
A S King	Director	(Resigned 6 July 2000)
I G Moore	Director	
D Moore	Director	(Resigned 9 May 2000)
V Peters	Director	
P Wenham	Director	
H Browne	Director	(Appointed 6 July 2000)
D Martin	Director	(Appointed 6 July 2000)
R Smith	Director	(Appointed 6 July 2000)
M Dixon	Director	(Appointed 6 July 2000)

No director received any remuneration in respect of his or her services.

Fixed Assets

Details of changes to tangible and intangible fixed assets are disclosed in notes 5 and 6 to the financial statements. The directors are of the opinion that the market value of the freehold property is not materially different to that shown in the balance sheet.

Subsidiary Companies

Details of the subsidiary companies all of which are incorporated in England are as follows:

		% of Issued Share Capital Held
TMA Ventures Limited	- Trading	100
TMA Limited	- Dormant	100
TMA Education Limited	- Dormant	100
TMA Europe Limited	- Dormant	100
TMA Publishing Limited	- Dormant	100

Auditors

In accordance with Section 385 of the Companies Act 1985 a resolution will be proposed at the forthcoming annual general meeting to re-appoint Baxter & Co. as the company's auditors at a fee to be agreed by the directors.

Approved by the Board on 15 May 2001

J Wright
Chairman

Directors' Report 2001

communications management association
(A Company Limited by Guarantee)

Auditors' Report 2001

We have audited the financial statements on pages 13 to 24 which have been prepared following the accounting policies set out on pages 18 and 19.

Respective Responsibilities of Directors and Auditors

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company and the group as at 31 March 2001 and of its result for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

BAXTER & Co
Registered Auditors
Lynwood House
Crofton Road
Orpington
Kent BR6 8QE

16 May 2001

Auditors' Report to the Members of the
communications management association
(A Company Limited by Guarantee)

Consolidated 2001 Profit and Loss Account

For the Year Ended 31 March 2001

	Note	£	2000 £
Income		3,897,861	3,918,517
Direct costs		2,461,587	2,269,922
		—————	—————
		1,436,274	1,648,595
Administration expenses		2,037,349	1,969,014
		—————	—————
Operating (Deficit)/Surplus	11	(601,075)	(320,419)
		—————	—————
Transfer (from)/to Reserves	12	£(601,075)	£(320,419)
		=====	=====

The group's income and expenses all relate to continuing operations.

communications management association
(A Company Limited by Guarantee)

Consolidated 2001 Statement of Total Recognised Gains and Losses

For the Year Ended 31 March 2001

	Note	£	2000 £
Deficit for the financial year		(601,075)	-
Unrealised surplus on revaluation of freehold property		325,915	-
		-----	-----
Total recognised gains and losses relating to the year		£(275,160)	£ -
		=====	=====

Consolidated 2001 Statement of Financial Activities

For the Year Ended 31 March 2001

	Note	£	2000 £
Incoming Resources			
Subscriptions, certificates and education		191,234	139,051
Investment income		36,398	44,960
Net income of trading subsidiary	2	182,198	442,580
Rent and office services		75,862	80,799
Information and research		38,610	-
		<hr/>	<hr/>
Total Incoming Resources		524,302	707,390
		<hr/>	<hr/>
Resources Expended			
Management and administration of the Charity		138,388	92,808
Charitable expenditure		949,760	871,804
Accommodation costs		37,229	63,197
		<hr/>	<hr/>
Total Resources Expended	3	1,125,377	1,027,809
		<hr/>	<hr/>
Net Movement for Year		(601,075)	(320,419)
Property revaluation during the year		325,915	-
Reserves brought forward at 1 April 2000		2,278,935	2,599,354
		<hr/>	<hr/>
Reserves carried forward at 31 March 2001		£2,003,775	£2,278,935
		<hr/>	<hr/>

communications management association
(A Company Limited by Guarantee)

Balance Sheet

2001

at 31 March 2001

	Note	Group 2001 £	2000 £	Company 2001 £	2000 £
Fixed Assets					
Tangible assets	5	1,466,469	1,154,904	1,434,486	1,126,130
Intangible assets	6	6,399	8,531	-	-
Investments	7	-	-	7	7
		<u>1,472,868</u>	<u>1,163,435</u>	<u>1,434,493</u>	<u>1,126,137</u>
Current Assets					
Debtors	8	914,508	1,247,325	305,523	544,006
Cash and bank balances		770,448	1,243,754	439,678	790,232
		<u>1,684,956</u>	<u>2,491,079</u>	<u>745,201</u>	<u>1,334,238</u>
Creditors					
Amounts falling due within one year	9	(1,154,049)	(1,375,579)	(175,919)	(181,440)
Net Current Assets		<u>530,907</u>	<u>1,115,500</u>	<u>569,282</u>	<u>1,152,798</u>
Net Assets		<u>£2,003,775</u> =====	<u>£2,278,935</u> =====	<u>£2,003,775</u> =====	<u>£2,278,935</u> =====
Reserves	12	<u>£2,003,775</u> =====	<u>£2,278,935</u> =====	<u>£2,003,775</u> =====	<u>£2,278,935</u> =====

Approved on behalf of the Board on 15 May 2001

communications management association
(A Company Limited by Guarantee)

J Wright
Director

C Kimber
Director

Consolidated Cash Flow Statement

For the Year Ended 31 March 2001

	Note	£	2000 £
Net cash flow from operating activities	1	(433,284)	(274,545)
Investing activities			
Purchase of tangible and intangible fixed assets		40,022	78,773
Net cash outflow from investing activities		40,022	78,773
Decrease in cash and cash equivalents		(473,306)	(353,318)
Cash and cash equivalents at 31 March 2000	2	1,243,754	1,597,072
Cash and Cash Equivalents at 31 March 2001		£770,448	£1,243,754
		=====	=====

Notes to Cash Flow Statement

1. Reconciliation of Changes in Resources to Net Cash Outflow from Operating Activities

Changes in resources		(601,075)	(320,419)
Depreciation		56,504	82,170
Decrease in creditors		(221,530)	(138,848)
Decrease in debtors		332,817	102,552
		£(433,284)	£(274,545)
		=====	=====

2. Analysis of Changes in Cash and Cash Equivalents During the Year

	2001 £	2000 £	Change in Year £
Short term deposits	938,137	1,395,599	(457,462)
Cash at bank and in hand	(167,689)	(151,845)	(15,844)
	£770,448	£1,243,754	£(473,306)
	=====	=====	=====

communications management association
(A Company Limited by Guarantee)

Notes to the 2001 Consolidated Financial Statements

For the Year Ended 31 March 2001

1. Accounting Policies
 - 1.1 Accounting Convention
The group prepares its annual financial statements under the historical cost convention, subject to the re-valuation of freehold property, which takes no account of the effects of inflation.
 - 1.2 Basis of Preparation of Group Financial Statements
The group financial statements consolidate the financial statements of the company and its subsidiary undertakings made up to 31 March 2001.
 - 1.3 Income
Income comprises the invoice value of goods, services, subscriptions and interest receivable, exclusive of VAT, where applicable. The income of the subsidiary company is wholly covenanted to the holding company.
 - 1.4 Investments
Investments are recorded at cost.
 - 1.5 Subscriptions
Subscriptions are included on a receipts basis in the year to which they relate.
 - 1.6 Tangible Fixed Assets
Assets are recorded at cost or valuation.

Depreciation is charged on the cost of the freehold building on a straight line basis at the rate of 2% per annum. No depreciation is charged on the revaluation surplus.

Depreciation is charged on all other assets over the effective lives of the assets at the following rates from the date of purchase of the assets:

Office Equipment	33.33%	Straight Line
Furniture and Fittings	25%	Reducing Basis
Freehold Improvements	33.33%	Straight Line

- 1.7 Intangible Fixed Assets
Assets are recorded at cost.

Depreciation is charged on all the assets on the reducing value basis over the effective life of the assets at the following rates from the date of purchase of the assets:

Computer Software and Files	25%	Reducing Basis
-----------------------------	-----	----------------

Notes to the 2001 Consolidated Financial Statements

For the Year Ended 31 March 2001

1.8 Leased Assets

Rental payments due under operating lease agreements are charged to profit on ordinary activities in the period to which they relate.

2. Net Income from Trading Activities of a Subsidiary

The results of the trading subsidiary wholly owned by the charity, which is incorporated in the U.K., are shown below:

Audited accounts of the subsidiary will be filed with the Registrar of Companies

	£	2000 £
Profit and Loss Account		
Turnover	3,628,273	3,778,290
Cost of Sales	2,347,421	2,165,473
	<hr/>	<hr/>
Gross Profit	1,280,852	1,612,817
Administration	1,098,654	1,170,237
	<hr/>	<hr/>
Net Profit	182,198	442,580
Amount covenanted to holding company	(182,198)	(442,580)
	<hr/>	<hr/>
Retained in Subsidiary	-	-
	=====	=====

3. Analysis of Total Resources Expended

	Staff Costs £	Other £	Depreciation £	£	2000 £
Management and administration of the Charity	98,601	25,131	14,656	138,388	92,808
Charitable Expenditure	349,901	570,805	29,054	949,760	871,804
Accommodation costs	-	37,229	-	37,229	63,197
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total	£448,502	£633,165	£43,710	£1,125,377	£1,027,809
	=====	=====	=====	=====	=====

4. Changes in Resources Available for Charity Use

Net operating resource for the year	(601,075)	(320,419)
Net increase/(decrease) in tangible fixed assets	311,565	(553)
	<hr/>	<hr/>
Net Movement in Funds available for Future Activities	£(289,510)	£(320,972)
	=====	=====

communications management association
(A Company Limited by Guarantee)

Notes to the 2001 Consolidated Financial Statements

For the Year Ended 31 March 2001

5. Tangible Fixed Assets - Company and Group					
	1 April 2000 £	Additions £	Revaluation £	Disposals £	31 March 2001 £
Cost or Valuation					
Freehold Property	1,192,655	-	207,345	-	1,400,000
Office Equipment	377,918	26,151	-	-	404,069
	-----	-----	-----	-----	-----
Company Total	1,570,573	26,151	207,345	-	1,804,069
Furniture & Fittings	72,917	13,871	-	-	86,788
	-----	-----	-----	-----	-----
Group Total	1,643,490	40,022	207,345	-	1,890,857
	=====	=====	=====	=====	=====
	1 April 2000 £	Charge For Year £	Eliminated On Revaluation £	Eliminated On Disposals £	31 March 2001 £
Depreciation					
Freehold Property	118,570	-	(118,570)	-	-
Office Equipment	325,873	43,710	-	-	369,583
	-----	-----	-----	-----	-----
Company Total	444,443	43,710	(118,570)	-	369,583
Furniture & Fittings	44,143	10,662	-	-	54,805
	-----	-----	-----	-----	-----
Group Total	488,586	54,372	(118,570)	-	424,388
	=====	=====	=====	=====	=====
	1 April 2000 £	31 March 2001 £			
Net Book Value					
Freehold Property	1,074,085	1,400,000			
Office Equipment	52,045	34,486			
	-----	-----			
Company Total	1,126,130	1,434,486			
Furniture & Fittings	28,774	31,983			
	-----	-----			
Group Total	£1,154,904	£1,466,469			
	=====	=====			

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(A Company Limited by Guarantee)

The freehold property acquired in the year ended 31 March 1995 was revalued at 31 March 2001 by Pyle Owen & Partners, Consultant Surveyors, in accordance with the guidelines issued by the Royal Institution of Chartered Surveyors. The net book value of freehold property at 31 March 2001 represents fixed assets used for Direct Charitable purposes.

Notes to the 2001 Consolidated Financial Statements

For the Year Ended 31 March 2001

6. Intangible Fixed Assets - Group

	1 April 2000 £	Additions £	Disposals £	31 March 2001 £
Cost				
Computer Software and Files	29,958	-	-	29,958
	=====	=====	=====	=====
	1 April 2000 £	Charge For Year £	Eliminated On Disposals £	31 March 2001 £
Depreciation				
Computer Software and Files	21,427	2,132	-	23,559
	=====	=====	=====	=====
Net Book Value	1 April 2000 £			31 March 2001 £
Computer Software and Files	£8,531			£6,399
	=====			=====

		2000 £	2000 £
7. Investments - Company Shares in Subsidiary Companies Ordinary Shares of £1 each representing the whole of the issued share capital:			
TMA Ventures Limited	- Trading	3	3
TMA Limited	- Dormant	1	1
TMA Education Limited	- Dormant	1	1
TMA Europe Limited	- Dormant	1	1
TMA Publishing Limited	- Dormant	1	1
		—	—
		£7	£7
		==	==

communications management association
(A Company Limited by Guarantee)

Notes to the 2001 Consolidated Financial Statements

For the Year Ended 31 March 2001

	Group 2001 £	Company 2001 £	Group 2000 £	Company 2000 £
8. Debtors				
Amounts falling due within one year:				
Trade Debtors	564,923	107,769	901,545	25,609
Other Debtors	2,185	-	3,378	-
Prepayments	342,557	10,713	322,277	55,547
Other Taxes and Social Security	4,843	4,843	20,125	20,125
Subsidiary Company	-	182,198	-	442,725
	-----	-----	-----	-----
	£914,508	£305,523	£1,247,325	£544,006
	=====	=====	=====	=====
9. Creditors				
Amounts falling due within one year:				
Exhibitions & Other Fees				
Received in Advance	850,714	39,471	974,680	18,167
Other Taxes and Social Security	32,082	21,721	44,623	11,640
Creditors and Accruals	271,253	114,727	356,276	151,633
	-----	-----	-----	-----
	£1,154,049	£175,919	£1,375,579	£181,440
	=====	=====	=====	=====
10. Contingent Liabilities and Capital Commitments				
(a) There are no known material contingent liabilities outstanding at the balance sheet date.				
(b) There were no material capital commitments at the balance sheet date.				

Notes to the 2001 Consolidated Financial Statements

For the Year Ended 31 March 2001

	£	2000 £
11. Operating (Deficit) Surplus is stated after charging:		
Depreciation	56,504	82,170
Auditors' Remuneration	7,500	7,200
	=====	=====
12. Reserves		
Balance Brought Forward	2,278,935	2,599,354
(Deficit)/Surplus of Income over Expenditure	(601,075)	(320,419)
Revaluation Reserve	325,915	-
	-----	-----
Balance Carried Forward	£2,003,775	£2,278,935
	=====	=====
Analysis of Reserves		
Contingency	603,775	1,203,935
Property	1,400,000	1,075,000
	-----	-----
	£2,003,775	£2,278,935
	=====	=====

Reserves Policy

It is the intention of the trustees to build up contingency reserves equivalent to two years' expenditure. The property reserve represents the net book value of the charity's freehold premises. Included within the property reserve is a revaluation of the company's freehold property of £627,373 (2000 : £301,458).

Notes to the 2001 Consolidated Financial Statements

For the Year Ended 31 March 2001

13.	Staff Costs – Group	£	2000 £
	Wages and Salaries	944,373	933,531
	Social Security Costs	96,920	93,577
		-----	-----
		£1,041,293	£1,027,108
		=====	=====
	Staff Costs – Company		
	Wages and Salaries	407,949	296,762
	Social Security Costs	40,553	30,753
		-----	-----
		£448,502	£327,515
		=====	=====

The number of higher paid employees of the charity whose emoluments fell within the following bands was as follows:

£40,000 - £50,000	-	1
£50,000 - £60,000	1	-
£60,000 - £70,000	2	1

No directors' remuneration was paid by the charity in the year (2000 : Nil).

Members of the Board who also act as trustees of the charity were reimbursed with travelling and subsistence expenses in the following amounts.

Directors Reimbursed - 8 (2000 - 7)	£3,132	£3,994
	=====	=====
Indemnity insurance was acquired on behalf of Board Members at the following cost:	£1,785	£1,785
	=====	=====

Other than detailed above, there were no transactions with any of the directors.

14. Taxation

No provision has been made for taxation of the surplus for the year under review, the company having the benefit of charitable status.

15. Parent Company

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements.

Bankers

HSBC
Station Square
Petts Wood
Orpington
Kent BR5 1LR

Solicitors

BEACHCROFT WANSBROUGHS
20 Furnival Street
London EC4A 1BN

Accountant

MAX COHEN
Chartered Accountant
Great Oaks House
Puttenden Road
Shipbourne
Kent TN11 9RX

Auditors

BAXTER & CO
Registered Auditors
Lynwood House
Crofton Road
Orpington
Kent BR6 8QE

Registered Office

Lynwood House
Crofton Road
Orpington
Kent BR6 8QE

Company Registration

2238045

Charity Registration Number

800354

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Allocation of Expenditure

The allocation of expenditure across several headings is summarised in Figure 1. It will be seen that the ratio of overhead to charitable spend is 13%, which, for the voluntary sector, falls in a range where an overhead ratio as low as 12% is considered to be the lowest acceptable limit while, conversely, one as high as 20% is considered to be profligate. We might therefore judge CMA to be efficient in managing its overheads, a metric which is under constant review.

The headings used in Figure 1 are derived from guidance contained in the Statement of Recommended Practice - Accounting by Charities:

Special Interest Groups & Forums

The principal area of activity in CMA across a wide range of subjects and key to influencing the supply industry to the benefit of consumers.

Education

Promotes life-long learning in all areas and at all levels in the Information Communications Technology business.

Membership

Provision of membership services and functions.

Information & Research

Information & Research provides current information, market intelligence and knowledge. It includes thecma.com.

Support Costs

All centrally supplied services in support of the charity's work.

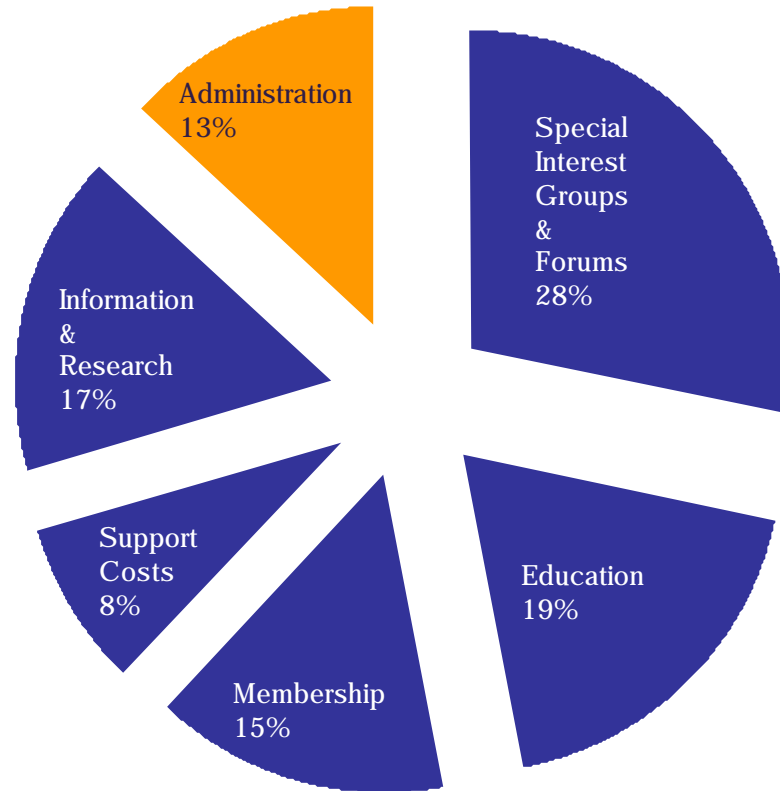
Administration

Management of the charity's assets and organisational and financial management. All centrally supplied services in support of TMA Ventures Ltd.



Notes 2001

Figure 1



exploiting the technologies
sharing the knowledge
empowering the business

