



communications management association

annual report and accounts
2003-2004

COMMUNICATIONS MANAGEMENT ASSOCIATION is a registered charity. Number 800354 and a Company Limited by Guarantee. Number 2238045

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CMA 2004

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Chairman's Report

We have devoted ourselves throughout this CMA year to our renaissance. We reinforced our aims and objectives and we introduced new ways of delivering value to our membership. We did this through information programmes, through our website with its new communities of interest and through our activities with the dying Ofcom and its replacement in January, the new Ofcom. We have had to concentrate on recovering from the loss of the TMA Convention through the introduction of Supplier Partnerships and our new Associate Suppliers. Although our P&L still shows a small loss, there is a massive turnaround from last year and we can now look forward to building ourselves up again.

We have tried hard to contain our costs and our prudent Treasurer has insisted that we hold sufficient funds to cover all outgoings on a month-by-month basis. Our cash flow remains healthy and although we are still dependent on too few major suppliers we are beginning to spread our exposure with the introduction of new activities and new sources of revenue. All through this process we have remained focussed on the needs of CMA's members.

One such new activity was the reintroduction of CMA Conference. Held in the Great Hall at Goodenough College in London this was considered to be an outstanding success. Not only did it make a modest contribution that we can now build on, but also it gave us a chance to bring members together to discuss a whole range of issues. Richard Hooper, Deputy Chairman of the new Ofcom chaired the first day and Lord Currie, Ofcom's Chairman, gave the Keynote address, not a bad start with this new organisation. The event also gave us a chance to bring in new companies such as Microsoft, Oracle, Accenture and Deloitte. We have continued to build on our regulatory activities with the introduction of a series of briefings, which started in January of this year.

Other innovations have been the introduction of the CMA Programmes, such as those on Mobility and Convergence. All have been well attended and enabled us to revitalise the SIG's and Forums. One highlight was the introduction of our first Focus Day on Telecoms Information Management (TIM) run by our Billing SIG. This was a great success and able to give us a new focus in this critical area. Again it made a healthy contribution to CMA's revenue.

We have been very fortunate to have real commitment from CMA members running our SIGs and Forums. Once again I would like to express our thanks to them, and their steering committees for helping us to maintain an active programme of meetings, visits and seminars. Without such commitment we would not have been able to include Intel and IBM (two companies new to the CMA fold and showing how far we are now reaching out beyond our traditional boundaries) as Programme supporters. Nor could we have held such an outstanding event as TIM or kept our Regulatory Affairs head held so high. I should mention that it was a brave start to the year to run the first public Ofcom meeting of the year on 6 Jan and what a great turnout it was. Having won their recognition on all sides we can now go from strength to strength with Ofcom.

Following the AGM in July last year your new Board took the opportunity to carry out a Strategic Review of CMA. The review concluded that CMA should have a wider remit incorporating into its membership all communications professionals wherever they sit in the value chain. Our industry is now too complex to remain solely focussed on enterprise users and although these remain at the heart of our organisation there are a whole range of other professionals with whom we must engage be they in the major consultancies, suppliers, managed services or anywhere else in the industry structure.

One challenge during the year was to maintain our annual membership survey. This has always been a demanding and costly activity but one that is vital to our interface with members and suppliers alike. It is from the survey that we get much of our strength. Knowing what members are doing, what they are planning to do, where they are investing and what they think of the major suppliers empowers us enormously. We use it when we talk to Ofcom and to BT; we get quoted in the press; and we can use it to decide our own programmes. Thanks to all members who filled in the quite demanding questionnaire. We know we must now adjust this to come into line with changing times and technologies by making it more relevant to the membership as a whole as well as to a broader section of the supplier community.

The Institute for Communications Arbitration and Forensics (ICAF) remains a wholly owned component of the CMA group. It too has had a difficult time but it is now regaining its strength as a fully-fledged professional institute in the focussed world of communications forensics and law enforcement. We have given ICAF a degree of independence to go forward with a new executive board free from CMA constraints.

This has been a year of survival and consolidation and setting the scene to move forward. We have secured new forms of revenue; set a cracking pace on membership activities through the reinvigorated SIGs; reintroduced conference; run the annual survey; introduced the Programmes and Focus Days; introduced Partners and Associate Suppliers who already include BT, O2, Telewest, Nortel and 3Com; and above all, refocused ourselves.

As well as being a membership organisation we are also a registered UK National Charity. Over the years we believe we have done much to contribute to the public interest not only by the very nature of our primary role as representatives of the professional user community to government and industry but also by extending our activities to related areas that benefit the wider community. One specific CMA campaign has been the role out of broadband to rural communities which we started some five years ago and we have continued to press this case again this year with BT and Ofcom and now Ofcom. Even though there is still a long way to go before we are a truly enabled Broadband Britain, BT's announcements on the widening of broadband access are therefore most welcome. This year we also piloted a new student support programme in partnership with the London School of Economics. This programme aims to develop student understanding of the industry in which they are majoring and give them access to knowledge and networking that will aid their deployment in the outside world. Another initiative has been to take an active role in the prevention of mobile crime through promotion of registration on MEND (Mobile Equipment National Database - sponsored by the National Mobile Phone Crime Unit) to our members, our partners, and their colleagues, customers and contacts.

As I said last year, we do still have mountains to climb. In fact once we have climbed one another one always looms. But this is the nature of business nowadays and, in common with many, going through the tough times makes us even more determined than ever.

In July I was asked by the Board to stay on for a third term. I was delighted to do this particularly as I like to see through something that I started...that is survival. The Board felt that it was not the time to change leadership at such a critical juncture. I believe that in common with the rest of our industry, we are now well on our way to recovery. There are exciting times ahead and there has never been a time when there has been a greater need for a strong CMA. In January I will hand over the baton to a new Chairman and I hope that in bringing CMA through this past difficult year he or she will have a stronger legacy to build on.

Carolyn Kimber
CMA Chairman

Finance Report

During the last year the CMA has followed a policy of careful financial management to stabilise its financial position after the difficult trading conditions of previous years. The losses have been dramatically reduced and the cash balances have remained stable. New revenue sources have been found on which to build future revenue growth without increasing the expenditure on the organisation's infrastructure.

Because of the general condition of the industry it was decided not to hold the TMA 2003 Conference and Exhibition in Brighton. This had been the major source of revenue for the CMA in previous years. However the lack of enthusiasm in the industry for such events would have resulted in a significant loss had it taken place.

Despite the lack of revenue from the exhibition and the cessation of business of CMA Ventures Ltd reported last year, the loss in 2003-4 has been reduced by approximately £613k before exceptional items, compared with the previous year. CMA is forecast to move into profit in the next financial year.

New sources of revenue have had to be found and the board has concentrated on establishing relationships with strategic partners who have the double benefit of providing short-term revenues, but are also

likely to be the key movers in the revival of fortunes of the telecommunications industry.

The Finance Committee on behalf of the Board has concentrated on ensuring that the cash flow for the organisation remains sound and the cash balances have remained stable throughout the year. Trading conditions continue to be difficult in the industry but indications from the successful conference held by the CMA in February and subsequent activities are that the industry is beginning to revive. This will provide new revenue opportunities for the CMA to service the needs of the membership and the wider industry in a new period of change.

David Bunting
CMA Treasurer

Directors' Report

The directors have pleasure to present their fifteenth annual report and financial statements for the year ended 31 March 2004.

Status

The company is a registered charity, Charity Number 800354.

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.

Subsidiary Company

The subsidiary, CMA Ventures Limited ceased to trade on 20 February 2003 and entered into an arrangement with its creditors on that date. The directors have given notice that CMA Ventures Limited should be struck off the Companies Register and as such, no accounts have been prepared.

Results

The financial statements consist solely of the results of the company which are set out on page 5. Comparative figures within the financial statements represent only the results of the company.

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:

| | | | |
|--------------|----------|-----------------------|------------------|
| C Kimber | Chairman | | |
| D R Bunting | Finance | | |
| H Browne | Director | | |
| K R Clark | Director | | |
| M Dixon | Director | | |
| Ian Grey | Director | Appointed | 10 July 2003 |
| Eddie McGee | Director | Appointed | 10 July 2003 |
| I G Moore | Director | Resigned | 10 July 2003 |
| V Peters | Director | Resigned | 9 September 2003 |
| R Smith | Director | Resigned | 10 July 2003 |
| Phil Sayer | Director | Appointed | 10 July 2003 |
| P Wenham | Director | | |
| J Wright | Director | Resigned | 10 July 2003 |
| Alan Hindley | | Co-opted to the Board | 10 July 2003 |

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

Risk Review

In accordance with SORP 2000 "Accounting and Reporting by Charities", the board undertook a risk assessment and confirms that the major risks to which the charity is exposed have been reviewed, systems have been established to mitigate these risks and monitoring procedures have been put in place.

Fixed Assets

Details of changes to tangible and intangible fixed assets are disclosed in note 5 to the financial statements.

Subsidiary Companies

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

| | | % of Issued Share Capital Held |
|----------------------|-------------------|-----------------------------------|
| CMA Ventures Limited | - Ceased to trade | 100 |
| ICAF 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 27 May 2004

**C Kimber
Chairman**

Independent Auditors' Report to the Members

We have audited the financial statements of Communications Management Association on pages 5 to 13 which have been prepared following the accounting policies set out on page 8.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 Audit 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 misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company as at 31 March 2004 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

28 May 2004

Profit and Loss Account For the Year Ended 31 March 2004

| | Note | 2004 £ | 2003 £ |
|-------------------------------|------|--------------|--------------|
| Income | | 411,841 | 262,135 |
| Administration expenses | | 463,954 | 927,862 |
| | | <hr/> | <hr/> |
| Operating Deficit | 10 | (52,113) | (665,727) |
| Exceptional Items | 11 | - | (497,320) |
| | | <hr/> | <hr/> |
| Transfer from Reserves | 12 | £(52,113) | £(1,163,047) |
| | | <u>=====</u> | <u>=====</u> |

Statement of Financial Activities For the Year Ended 31 March 2004

| | Note | 2004 £ | 2003 £ |
|---|------|--------------|--------------|
| Income in furtherance of Charities objectives | | | |
| Subscriptions | | 87,494 | 108,397 |
| Income from sponsorship and events | 2 | 278,337 | 144,253 |
| Investment income and Interest | | 2,073 | 9,485 |
| Other Incoming Resources | | 43,937 | - |
| | | <hr/> | <hr/> |
| Total Incoming Resources | | 411,841 | 262,135 |
| | | <hr/> | <hr/> |
| Resources Expended | | | |
| Cost of activities in furtherance of Charity's objectives | 3 | 352,421 | 661,454 |
| Management and administration of the Charity | 3 | 62,311 | 127,128 |
| Accommodation costs | 3 | 49,222 | 139,280 |
| | | <hr/> | <hr/> |
| | | 463,954 | 927,862 |
| | | <hr/> | <hr/> |
| Net Movement for Year | | (52,113) | (665,727) |
| Exceptional Items | 11 | - | (497,320) |
| | | <hr/> | <hr/> |
| | | (52,113) | (1,163,047) |
| Reserves brought forward at 1 April 2003 | | 106,599 | 1,269,646 |
| | | <hr/> | <hr/> |
| Reserves carried forward at 31 March 2004 | | £54,486 | £106,599 |
| | | <u>=====</u> | <u>=====</u> |

Balance Sheet at 31 March 2004

| | | 2004 | | 2003 | |
|---|------|----------------|----------------|----------------|-----------------|
| | Note | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Tangible assets | 5 | | 1,121 | | - |
| Investments | 6 | | 1 | | 1 |
| | | | <u>1,122</u> | | <u>1</u> |
| Current Assets | | | | | |
| Debtors | 7 | 116,614 | | 45,457 | |
| Cash and bank balances | | 47,999 | | 92,231 | |
| | | <u>164,613</u> | | <u>137,688</u> | |
| Creditors: Amounts falling due within one year | 8 | 111,249 | | 31,090 | |
| | | <u>111,249</u> | | <u>31,090</u> | |
| Net Current Assets | | | 53,364 | | 106,598 |
| | | | <u>53,364</u> | | <u>106,598</u> |
| Net Assets | | | £54,486 | | £106,599 |
| | | | <u>£54,486</u> | | <u>£106,599</u> |
| Reserves | 12 | | £54,486 | | £106,599 |
| | | | <u>£54,486</u> | | <u>£106,599</u> |

Approved on behalf of the Board on 27 May 2004

C Kimber
Director

D R Bunting
Director

Notes to the Financial Statements For the Year Ended 31 March 2004

1. Accounting Policies

1.1 Accounting Convention

The company prepares its annual financial statements under the historical cost convention.

1.2 Basis of Preparation of Financial Statements

As a result of CMA Ventures Limited ceasing to trade, no Group accounts have been prepared and figures are for the company only.

1.3 Income

Income comprises the invoice value of goods, services, subscriptions and interest receivable, exclusive of VAT, where applicable.

1.4 Investments

Investments are recorded at cost.

1.5 Subscriptions

Subscriptions are included on an accruals basis in the year to which they relate.

1.6 Tangible Fixed Assets

Assets are recorded at cost.

Depreciation is charged on 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 |
|------------------|--------|---------------|

1.7 Leased Assets

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

Notes to the Financial Statements For the Year Ended 31 March 2004 (Continued)

2. Income from Sponsorship and Events

| | 2004 £ | 2003 £ |
|--------------------------|-----------------|-----------------|
| Associate Supplies | 2,640 | - |
| Partnerships | 86,250 | - |
| Sales/Sponsorships | 52,126 | - |
| Convention | 59,640 | 17,705 |
| Survey | 29,180 | - |
| Programmes/Events | 46,470 | - |
| ICAF | 2,031 | 33,873 |
| Information and Research | - | 27,675 |
| Web | 65,000 | - |
| | <u>£278,337</u> | <u>£144,253</u> |

3. Analysis of Total Resources Expended

| | Staff Costs £ | Other £ | Depreciation £ | 2004 £ | 2003 £ |
|--|------------------|-----------------|-------------------|-----------------|-----------------|
| Charitable Expenditure | 173,096 | 178,954 | 371 | 352,421 | 661,454 |
| Management and administration of the Charity | 48,822 | 13,299 | 190 | 62,311 | 127,128 |
| Accommodation costs | - | 49,222 | - | 49,222 | 139,280 |
| Total | <u>£221,918</u> | <u>£241,475</u> | <u>£561</u> | <u>£463,954</u> | <u>£927,862</u> |

4. Changes in Resources Available for Charity Use

| | 2004 £ | 2003 £ |
|--|------------------|---------------------|
| Net operating resource for the year | (52,113) | (1,163,047) |
| Net increase/(decrease) in tangible fixed assets | 1,121 | (14,609) |
| Net Movement in Funds available for Future Activities | <u>£(50,992)</u> | <u>£(1,177,656)</u> |

Notes to the Financial Statements

For the Year Ended 31 March 2004 (Continued)

5. Tangible Fixed Assets

| | 1 April 2003 £ | Additions £ | Disposals £ | 31 March 2004 £ |
|--------------------------|----------------------|-------------------|-------------------|-----------------------|
| Cost or Valuation | | | | |
| Office Equipment | - | 1,682 | - | 1,682 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total | - | £1,682 | - | £1,682 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Depreciation | | | | |
| Office Equipment | - | 561 | - | 561 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total | - | £561 | - | £561 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Net Book Value | | | | |
| Office Equipment | - | | | 1,121 |
| | <u> </u> | | | <u> </u> |
| Total | - | | | £1,121 |
| | <u> </u> | | | <u> </u> |

| | 2004 £ | 2003 £ |
|---|-------------------|-------------------|
| 6. Investments – Company | | |
| Shares in Subsidiary Companies Ordinary Shares of £1 each representing the whole of the issued share capital: | | |
| ICAF - Dormant | 1 | 1 |
| | <u> </u> | <u> </u> |
| | 2004 £ | 2003 £ |
| 7. Debtors - Amounts falling due within one year: | | |
| Trade Debtors | 107,091 | 2,948 |
| Prepayments | 9,523 | 7,086 |
| Other Taxes and Social Security | - | 35,423 |
| | <u> </u> | <u> </u> |
| | £116,614 | £45,457 |
| | <u> </u> | <u> </u> |
| | 2004 £ | 2003 £ |
| 8. Creditors – Amounts falling due within one year: | | |
| Subscriptions in advance | 12,608 | 12,190 |
| Other Income Received in Advance | 58,750 | - |
| Other Taxes and Social Security | 12,247 | - |
| Creditors and Accruals | 27,644 | 18,900 |
| | <u> </u> | <u> </u> |
| | £111,249 | £31,090 |
| | <u> </u> | <u> </u> |

Notes to the Financial Statements For the Year Ended 31 March 2004 (Continued)

9. 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.

| | 2004 £ | 2003 £ |
|--|-------------------|-------------------|
| 10. Operating Deficit is stated after charging: | | |
| Depreciation | 561 | 16,179 |
| Auditors' Remuneration | 2,250 | 3,500 |
| | <u> </u> | <u> </u> |
| 11. Exceptional Items | | |
| Write-off of amounts due from CMA Ventures Limited | - | 429,170 |
| Loss arising from surrender of lease at Ranmore House | - | 68,150 |
| | <u> </u> | <u> </u> |
| | - | £497,320 |
| | <u> </u> | <u> </u> |
| 12. Reserves | | |
| Balance Brought Forward | 106,599 | 1,269,646 |
| Deficit of Expenditure over Income | (52,113) | (1,163,047) |
| | <u> </u> | <u> </u> |
| Balance Carried Forward | £54,486 | £106,599 |
| | <u> </u> | <u> </u> |
| 13. Staff Costs | | |
| Wages and Salaries | 203,884 | 396,415 |
| Social Security Costs | 18,034 | 43,606 |
| | <u> </u> | <u> </u> |
| | £221,918 | £440,021 |
| | <u> </u> | <u> </u> |

13. Staff Costs (continued)

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

| | 2004 | 2003 |
|-------------------|------|------|
| £70,000 - £80,000 | 1 | 1 |

No directors' remuneration was paid by the charity in the year (2003 : Nil).

)

Members of the Board who also act as trustees of the charity were reimbursed with travelling and subsistence expenses in the following amounts. The legal authority by which remuneration is paid to the trustees is contained in the Memorandum & Articles of the company.

| | 2004 £ | 2003 £ |
|---|-------------------|-------------------|
| Directors Reimbursed -6 (2003 - 7) | £9,697 | £2,802 |
| | <u> </u> | <u> </u> |
| Indemnity insurance was acquired on behalf of Board | £3,190 | £1,995 |
| | <u> </u> | <u> </u> |

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

14. Taxation

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