

Registered Number: 2238045
Charity Number: 800354

COMMUNICATIONS MANAGEMENT ASSOCIATION
(A Company Limited by Guarantee)

Report and Financial Statements
For the Year Ended 31 March 2006

COMMUNICATIONS MANAGEMENT ASSOCIATION

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COMMUNICATIONS MANAGEMENT ASSOCIATION
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Report of the Board of Trustees
For the Year Ended 31 March 2006

The Board of Trustees presents its report and audited financial statements for the year ended 31 March 2006.

Reference and Administrative Information

Charity Name Communications Management Association

Charity Registration Number 800354

Company Registration Number 2238045

Registered Office Address Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

Operational Address Ranmore House
The Crescent
Leatherhead
Surrey
KT22 8DY

Board of Trustees

Mr P Sayer	Chairman	
Mrs C Kimber	Vice-Chairman	(Resigned 15/09/05)
Mr D R Bunting	Finance	
Mrs H Browne		
Mr K R Clark		(Resigned 15/09/05)
Mr I Gray		
Mr J Hegarty	Vice-Chairman	(Appointed 15/09/05)
Mr A Hindley	Vice-Chairman	
Mr E McGee		(Resigned 19/01/06)
Mr J Pook		(Resigned 31/03/06)
Mr J Taylor		(Appointed 15/09/05)
Mr A Vaughn		(Appointed 15/09/05)
Mr P Wenham		(Resigned 15/09/05)
Mr N White		(Appointed 11/04/06)

Chief Executive and Secretary Mr G Powell

COMMUNICATIONS MANAGEMENT ASSOCIATION
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Report of the Board of Trustees
For the Year Ended 31 March 2006
(Continued)

Organisational Structure

The charity has a Board of Trustees who meet bi-monthly and are responsible for the strategic direction and policy of the charity. The Secretary who is the Chief Executive attends the Board meetings but has no voting rights.

The Board of Trustees has appointed a Finance Committee consisting of the Chairman, Treasurer (Chair) and the two Vice-Chairmen. Any other Director is also welcome to attend. This Committee meets approximately one week prior to each Board meeting and at other times as appropriate. The Committee considers the financial position of the Association and makes recommendations to the Board. The Chief Executive also sits on the Committee.

A scheme of delegation is in place and day to day responsibility for the provision of the services rests with the Chief Executive. The Chief Executive is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met.

Recruitment and Appointment of The Board of Trustees

The directors of the company are also charity trustees for the purposes of charity law and under the company's Articles are known as members of the Board. Under the requirements of the Memorandum and Articles of Association the members of the Board of Trustees are elected to serve for a period of six years, however, each year one third of the members, selected by the longest serving first, must retire in rotation at the next Annual General Meeting and can, if eligible, offer themselves for re-election. Members must stand down after six years and are not eligible for election for at least a period of one year.

Trustee Induction and Training

New trustees are invited and encouraged to attend a series of short training sessions (of no more than an hour) to familiarise themselves with the charity and the context within which it operates. These are jointly led by the Chair of the Board and the Chief Executive of the charity and cover:

- The obligations of the Board of Trustees.
- The main documents which set out the operational framework for the Charity, including the Memorandum and Articles.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

COMMUNICATIONS MANAGEMENT ASSOCIATION

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Report of the Board of Trustees For the Year Ended 31 March 2006

(Continued)

Risk Management

The Board of Trustees has conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems or procedures have been established to mitigate the risks the charity faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety of staff, volunteers, clients and visitors.

Objectives and Activities

The company's objects and principal activities are to:

"Benefit the public to advance and promote the science and use of telecommunications and to encourage the promotion and development of telecommunications and the use thereof both generally and in particular for organisations of all kinds".

Achievements and Performance

The main areas of charitable activity are in working with communications professionals within public and private sector enterprise towards the provision of information for increased efficiency and business enablement; representation to government and its appointed UK regulator, Ofcom, and internationally to organisations such as the European Commission; as an independent interface between the enterprise user of telecoms and the suppliers of telecoms services and equipment; and as an interface with the wider IT community through affiliations with other IT-based user organisations.

Specifically CMA has put on a full programme of events including its annual two day conference, three Focus Days and a number of half-day members briefings, all on subjects covering IP networks, mobilising the enterprise, fraud and security, flexible working, telecoms information management. In addition it has run surveys and produced reports on major business pricing and the virtual enterprise. Our Special Interest Groups have also been active with several meetings in the areas of mobility, regulatory affairs, numbering and security. All these activities have been well supported by members and in many cases by the wider telecoms community. This year in particular the Annual Conference in February attracted 475 registered delegates. All events attracted good support from the supplier community who not only sponsored activities but also provided very professional presentations and commentary.

CMA's annual membership survey has been published for the 12th year running since when it has become widely respected as the bible of user views and future intentions. Whilst it is published primarily for CMA members the report is made widely available to the community as a whole.

COMMUNICATIONS MANAGEMENT ASSOCIATION
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Report of the Board of Trustees
For the Year Ended 31 March 2006
(Continued)

Achievements and Performance (Cont)

With regard to CMA regulatory activities, 2005/06 has seen enormous activity and change in the UK communications industry. BT has gone further than ever in enabling the spread of broadband throughout the UK. We have come a long way down the path of equivalence with the establishment of BT Openreach and business pricing has been deregulated. Mergers continue with NTL and Telewest and the possibility of adding in Virgin Mobile – with the resulting "fourplay" business now up for sale. C&W and Energis are as one and France Telecoms and Equant have merged into Orange Business Services, all contributing to a sense of fundamental change. Against this background CMA has been able to play an increasingly vibrant role.

Against this background of change – which is dramatic even by the standards of a turbulent and fast-moving industry – the need for an independent organisation representing business users of communications products and services in the UK continues to be as strong as ever. Our successes in the recent past have been significant – a relentless campaign of "Access for All" contributed much to the change of heart that has seen near-universal provision of broadband in the UK. We have seen our campaign to reduce roaming charges bear fruit with the Commission imposing restrictions on the mobile operators' ability to price whatever they think the market will bear. We have also worked closely with Ofcom to produce an outcome on pricing of services to business customers that is satisfactory to all sides.

Financial Review

Against the backdrop of limited resources, it has continued to be difficult to plan too far into the future or develop new services. Nevertheless, the charity, with the aid of sound financial management and the support of its staff, generated a positive financial surplus for the year with a net increase in funds of just under £6,000 bringing overall reserves up to £21,666.

Reserves Policy

The Board of Trustees has examined the charity's requirements for reserves in light of the main risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be between 3 and 6 months of the expenditure. The reserves are needed to meet the working capital requirements of the charity and fund future projects. The strategy is to continue to build reserves through planned operating surpluses.

COMMUNICATIONS MANAGEMENT ASSOCIATION
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Report of the Board of Trustees
For the Year Ended 31 March 2006
(Continued)

Plans for Future Periods

New challenges are ahead, especially in the area of next generation networks, convergence, competition in the provision of new services and changes in the EU's regulatory framework that are important to us all.

In particular, convergence – in the sense that the old divisions between the IT, telecoms and information management communities are to some extent fading away – means that CMA is increasingly having to devote time and resources to what have been hitherto seen as "peripheral areas" to the telecoms world. Security is perhaps the most important of these areas, with the management of content, IPR, data protection and digital rights moving up the agenda. Within this scenario BT's 21st Century Network, and its competitors, is crucial to access and delivery.

CMA is planning on introducing new services such as benchmarking and best practice. It will continue to strengthen its events, surveys and reports and will develop further its two key activities being its annual conference and annual members' survey.

CMA will continue to be the voice of enterprise, adapting rapidly to the needs of its members, lobbying the Government and Ofcom, and interfacing with the communications industry to encourage a dynamic competitive market, one that is internationally competitive and able to encompass rapid change and innovation, to the benefit of UK business, the economy and society in general.

COMMUNICATIONS MANAGEMENT ASSOCIATION
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Report of the Board of Trustees
For the Year Ended 31 March 2006
(Continued)

Responsibilities of the Board of Trustees

Company law requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Board of Trustees should follow best practice and:

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

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

Members of the Board of Trustees

Members of the Board of Trustees who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report, are set out on page 1.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

COMMUNICATIONS MANAGEMENT ASSOCIATION
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Report of the Board of Trustees
For the Year Ended 31 March 2006
(Continued)

Auditors

Baxter & Co were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board of Trustees on 6 September 2006 and signed on its behalf by:

Mr P Sayer
Chairman

Independent Auditors' Report to the Members of
COMMUNICATIONS MANAGEMENT ASSOCIATION
(A Company Limited by Guarantee)

We have audited the financial statements of Communications Management Association for the year ended 31 March 2006 set out on pages 11 to 18. These financial statements have been prepared in accordance with the accounting policies set out therein.

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 auditors' 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 the Board of Trustees and Auditors

As described in the Statement of Board of Trustees' Responsibilities on page 7 the trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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.

Independent Auditors' Report to the Members of
COMMUNICATIONS MANAGEMENT ASSOCIATION
(A Company Limited by Guarantee)
(Continued)

Basis of audit opinion (Continued)

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 as at 31 March 2006 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

7 September 2006

COMMUNICATIONS MANAGEMENT ASSOCIATION
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Statement of Financial Activities
For the Year Ended 31 March 2006

	Note	2006 £	2005 £
Incoming Resources			
Incoming Resources from Generated Funds			
Activities for generating funds:			
Sponsors, partners and associates		64,833	163,956
Investment income		2,057	2,023
Other income		8,751	10,751
Incoming Resources from Charitable Activities	2	373,795	274,916
		<hr/>	<hr/>
Total Incoming Resources		449,436	451,646
		<hr/>	<hr/>
Resources Expended			
Charitable Activities	3	352,440	367,598
Management and Administration	3	59,800	60,457
Accommodation Costs	3	31,227	62,380
		<hr/>	<hr/>
Total Resources Expended		443,467	490,435
		<hr/>	<hr/>
Net Movement in Funds		5,969	(38,789)
Reconciliation of Funds			
Total Funds Brought Forward		15,697	54,486
		<hr/>	<hr/>
Total Funds Carried Forward		£21,666	£15,697
		<hr/> <hr/>	<hr/> <hr/>

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

COMMUNICATIONS MANAGEMENT ASSOCIATION
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Balance Sheet at 31 March 2006

		2006		2005	
	Note	£	£	£	£
Fixed Assets					
Tangible assets	5		2,463		2,144
Investments	6		1		1
			2,464		2,145
Current Assets					
Debtors	7	70,194		41,775	
Cash and bank balances		96,513		76,936	
		166,707		118,711	
Creditors: Amounts falling due within one year	8			105,159	
				19,202	
Net Current Assets					13,552
Net Assets			£21,666		£15,697
Reserves	11		£21,666		£15,697

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985, relating to small entities.

Approved by the Board of Trustees on 6 September 2006 and signed on its behalf by:

P Sayer
Director

D R Bunting
Director

COMMUNICATIONS MANAGEMENT ASSOCIATION
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Notes to the Financial Statements
For the Year Ended 31 March 2006

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed asset investments at market value, and in accordance with the Companies Act 1985 and the Statement of Recommended Practice : Accounting and Reporting by Charities issued in March 2005.

(b) Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Income from sponsors, partners and associates are accounted for on an accruals basis in the year to which they relate.
- Incoming resources from subcontractors and other charitable trading activities are accounted for on an accruals basis in the year to which they relate.

(c) Resources Expended

Expenditure is recognised on an accrual basis as a liability is incurred.

(d) Fixed Assets

Fixed assets (excluding investments) are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which in all cases is estimated at three years.

(e) Leased Assets

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

COMMUNICATIONS MANAGEMENT ASSOCIATION
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Notes to the Financial Statements
For the Year Ended 31 March 2006
(Continued)

	2006	2005
	£	£
2. Income from Charitable Activities		
Subscriptions	74,339	87,170
Annual Conference	103,165	75,509
Research	88,800	83,620
Events	107,491	28,617
	£373,795	£274,916
	£373,795	£274,916

3. Analysis of Resources Expended

	Staff Costs	Other	Depreciation	2006	2005
	£	£	£	£	£
Charitable Expenditure	159,444	191,884	1,112	352,440	367,598
Management and Administration of the Charity	44,971	14,259	570	59,800	60,457
Accommodation Costs	-	31,227	-	31,227	62,380
	£204,415	£237,370	£1,682	£443,467	£490,435
Total	£204,415	£237,370	£1,682	£443,467	£490,435

COMMUNICATIONS MANAGEMENT ASSOCIATION
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Notes to the Financial Statements
For the Year Ended 31 March 2006
(Continued)

	2006	2005
	£	£
4. Changes in Resources Available for Charity Use		
Net operating surplus/(deficit) for the year	5,969	(38,789)
Net increase in tangible fixed assets	319	1,023
	<hr/>	<hr/>
Net Movement in Funds Available for Future Activities	£6,288	£(37,766)
	<hr/> <hr/>	<hr/> <hr/>

5. Tangible Fixed Assets

	1 April 2005	Additions	Disposals	31 March 2006
	£	£	£	£
Cost or Valuation				
Office Equipment	4,057	2,504	(1,512)	5,049
	<hr/>	<hr/>	<hr/>	<hr/>
Total	£4,057	£2,504	£(1,512)	£5,049
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	1 April 2005	Charge For Year	Eliminated On Disposals	31 March 2006
	£	£	£	£
Depreciation				
Office Equipment	1,913	1,682	(1,009)	2,586
	<hr/>	<hr/>	<hr/>	<hr/>
Total	£1,913	£1,682	£(1,009)	£2,586
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	1 April 2005		31 March 2006
	£		£
Net Book Value			
Office Equipment	2,144		2,463
	<hr/>		<hr/>
Total	£2,144		£2,463
	<hr/> <hr/>		<hr/> <hr/>

COMMUNICATIONS MANAGEMENT ASSOCIATION
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Notes to the Financial Statements
For the Year Ended 31 March 2006
(Continued)

	2006	2005
	£	£
6. Investments – Company		
Shares in Subsidiary Companies Ordinary Shares of £1 each representing the whole of the issued share capital:		
ICAF - Dormant	£1 ==	£1 ==
7. Debtors – Amounts falling due within one year:	2006	2005
	£	£
Trade Debtors	66,962	41,675
Prepayments	1,289	100
Other Debtors	1,943	-
	-----	-----
	£70,194	£41,775
	=====	=====
8. Creditors – Amounts falling due within one year:	2006	2005
	£	£
Subscriptions in Advance	29,199	12,770
Other Income Received in Advance	73,674	43,122
Other Taxes and Social Security	25,536	26,856
Creditors and Accruals	19,096	22,411
	-----	-----
	£147,505	£105,159
	=====	=====

COMMUNICATIONS MANAGEMENT ASSOCIATION
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Notes to the Financial Statements
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(Continued)

9. Contingent Liabilities, Capital Commitments and Financial 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.
- (c) At 31 March 2006 the company was committed to making the following payments under non-cancellable operating leases in the year 31 March 2007:

	Land and Buildings	
	2006	2005
	£	£
Operating leases which expire:		
Between two and five years	18,090	18,090
	-----	-----
	£18,090	£18,090
	=====	=====
	2006	2005
	£	£
10. Net Incoming Resources are stated after charging:		
Depreciation	1,682	1,352
Auditors' Remuneration	3,000	2,350
	=====	=====
11. Reserves	2006	2005
	£	£
Balance Brought Forward	15,697	54,486
Surplus/(Deficit) of Income over Expenditure	5,969	(38,789)
	-----	-----
Balance Carried Forward	£21,666	£15,697
	=====	=====

COMMUNICATIONS MANAGEMENT ASSOCIATION
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Notes to the Financial Statements
For the Year Ended 31 March 2006
(Continued)

12. Staff Costs	2006 £	2005 £
Wages and Salaries (including pension costs)	184,756	182,539
Social Security Costs	19,659	19,564
	£204,415	£202,103

The number of higher paid employees of the charity whose emoluments fell in excess of £60,000 were as follows:

2006	2005
1	1

No directors' remuneration was paid by the charity in the year (2005 : 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.

	2006 £	2005 £
Directors Reimbursed - 5 (2005 - 6)	£5,026	£8,835
Indemnity insurance was acquired on behalf of Board	£1,312	£3,519

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

13. Taxation

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

COMMUNICATIONS MANAGEMENT ASSOCIATION
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Management Information
For the Year Ended 31 March 2006

COMMUNICATIONS MANAGEMENT ASSOCIATION
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Income and Expenditure Account
For the Year Ended 31 March 2006

	2006		2005	
	£	£	£	£
Income				
Subscriptions	74,339		87,170	
Sponsors/Partners and Associates	64,833		163,956	
Annual Conference	103,165		75,509	
Research	88,800		83,620	
Events	107,491		28,617	
Interest Receivable	2,057		2,023	
Other	8,751		10,751	
		449,436		451,646
Less: Direct Costs				
Annual Conference	48,324		43,488	
Research	48,192		41,914	
Events	29,211		23,309	
		125,727		108,711
		323,709		342,935
Expenditure				
Staff Costs	204,415		202,103	
Travel and Subsistence	6,641		11,764	
Public Relations	6,000		12,000	
Contractors	-		8,673	
Regulatory Affairs	9,530		15,348	
Accommodation Costs	23,664		55,326	
Professional Fees	20,434		20,820	
IT and Telecoms	9,093		11,460	
Website Running Costs	13,646		17,523	
Office Supplies	6,571		6,534	
Insurance	7,563		7,054	
Board Costs	6,661		10,225	
General Expenses	1,640		1,542	
Provision for Bad Debts	200		-	
Depreciation on F F & E	1,682		1,352	
		317,740		381,724
Surplus/(Deficit) for the Year		£5,969		£(38,789)