

Company Registration Number. 2959076

IDM Membership Limited  
Report and Financial Statements  
for the year ended  
31 August 2007



Menzies  
65 High Street  
Egham  
Surrey  
TW20 9EY

**Report and financial statements for the year ended 31 August 2007**

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**Directors**

S Hall (Chairman)  
T R Lawes, FCA  
D A Holder  
N G Morris  
C Robertson  
S McCarthy

**Secretary and registered office**

R D Wild, 1 Park Road, Teddington, Middlesex, TW11 OAR

**Company number**

2959076

**Auditors**

Menzies, 65 High Street, Egham, Surrey, TW20 9EY

**Bank**

Barclays Bank plc, Richmond & Twickenham Group, 8 George Street, Richmond, Surrey, TW9 1JU

**Solicitors**

Farrer & Co, 66 Lincolns Inn Fields, London, WC2A 3LH

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**Report and financial statements for the year ended 31 August 2007**

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The directors present their report together with the audited financial statements for the year ended 31 August 2007

**Results**

The profit and loss account is set out on page 7 and shows the profit for the year

**Principal activities**

The principal activity of the company is the promotion of professional standards amongst direct, digital and data marketing professionals by the provision of membership services available only to those professionals who meet the criteria set down for qualification by education and experience and agree to abide by the code of conduct for members

There have been no events since the balance sheet date which materially affect the position of the company

**Directors**

The directors of the company during the year were

S Hall (Chairman)

T R Lawes, FCA

D A Holder

N G Morris

C Robertson

J Clark (resigned on 23 10 07)

S McCarthy

No director except T R Lawes had any beneficial interest in the share capital of the company. T R Lawes holds one share and is a director of the parent company, The Institute of Direct Marketing Limited, which is a company limited by guarantee

**Donations**

During the year the company made a donation of £Nil (2006 £Nil) to the Institute of Direct Marketing Limited, a registered UK charity

**Directors' responsibilities**

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 year. 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, and
- 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

In so far as the directors are aware there is no relevant audit information of which the company's auditors are unaware, and the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

**Report and financial statements for the year ended 31 August 2007**


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**Auditors**

A resolution to reappoint Menzies as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Signed on behalf of the directors



D A Holder  
Director

**Independent auditors' report to the shareholders (continued)**  
**Year ended 31 August 2007**

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**To the shareholders of IDM Membership Limited**

We have audited the financial statements IDM Membership Limited for the year ended 31 August 2007 on pages 7 to 13 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on page 9

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

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

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, 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 other transactions is not disclosed.

We read the Directors' 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.

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.

Independent auditors' report to the shareholders (continued)  
Year ended 31 August 2007

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**OPINION**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 August 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Heathrow Business Centre  
65 High Street  
Egham  
Surrey  
TW20 9EY

*22 May 2008.*

*Menzies*

MENZIES,  
Chartered Accountants  
& Registered Auditors

## Profit and loss account for the year ended 31 August 2007

	Note	2007 £	2006 £
<b>Turnover</b>	<b>2</b>	<b>476,034</b>	437,469
Cost of sales		<u>168,190</u>	<u>146,632</u>
<b>Gross profit</b>		<b>307,844</b>	290,837
Administrative expenses		<u>312,630</u>	<u>295,787</u>
<b>Operating profit</b>		<b>(4,786)</b>	(4,950)
Interest receivable		<u>4,948</u>	<u>4,950</u>
<b>Profit on ordinary activities before taxation</b>		<b>162</b>	0
Taxation on profit on ordinary activities	<b>4</b>	<u>162</u>	-
<b>Retained profit for the financial year</b>		<b>0</b>	0
Balance brought forward		<u>(41,514)</u>	<u>(41,514)</u>
Balance carried forward		<u>(41,514)</u>	<u>(41,514)</u>

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

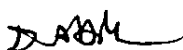
There are no movements in shareholders' funds in the current and prior year apart from the profit/loss for the year

## Balance sheet as at 31 August 2007

	Note	2007 £	2006 £
<b>Fixed assets</b>			
Tangible assets	5	1,902	2,907
<b>Current assets</b>			
Debtors	6	149,006	144,266
Cash at bank and in hand		305,901	157,435
		<u>454,907</u>	<u>301,701</u>
<b>Creditors: Amounts falling due within one year</b>	7	<u>178,601</u>	<u>64,263</u>
<b>Net current assets</b>		<u>276,306</u>	<u>237,438</u>
<b>Total assets less current liabilities</b>		<u>278,208</u>	<u>240,345</u>
<b>Accruals and deferred income</b>	8	319,622	281,759
<b>Total assets less current liabilities</b>		<u>(41,414)</u>	<u>(41,414)</u>
<b>Capital and reserves</b>			
Called-up equity share capital	9	100	100
Profit and loss account		(41,514)	(41,514)
<b>Equity shareholders' funds</b>		<u>(41,414)</u>	<u>(41,414)</u>

These financial statements have been approved in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

These financial statements were approved by the directors on 5 May 2008 and signed on their behalf by

  
 \_\_\_\_\_  
 D Holder  
 Director



Notes forming part of the financial statements for the year ended 31 August 2007

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**1. Accounting policies**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The following principal accounting policies have been applied

*Basis of Preparation*

The company currently shows an excess of liabilities over assets on its balance sheet. It is anticipated that in the next 12 months the company will continue to generate a profit and its financial position will improve. Due to the ongoing support of its parent company, the directors are of the opinion that it is appropriate to prepare the financial statements on a going concern basis, which assumes that the company will continue in existence for the foreseeable future. The financial statements have been prepared in accordance with the special provision of Part IV of the Companies Act 1985 relating to small entities.

*Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985.

*Turnover*

Turnover represents the total amount receivable in the ordinary course of business for services provided in the year, after deducting discounts given and credit notes issued.

Subscription income relating to periods after the end of the accounting period is carried forward as deferred income.

Income from founder members is credited to the founder member reserve. 50% is transferred to the profit and loss account in the first year of membership, the remainder being transferred on a straight line basis over ten years.

*Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of the fixed assets over their expected useful lives as follows:

Leasehold improvements - 10% straight line basis

Fixtures and fittings - 20% reducing balance basis

Equipment - 25% straight line basis

*Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

**2 Turnover**

The company's turnover and profit before tax are attributable to the one principal activity of the company and are wholly attributable to the United Kingdom.

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Notes forming part of the financial statements for the year ended 31 August 2007

### 3 Operating profit

Operating profit is stated after charging

	2007	2006
	£	£
Depreciation	1,005	1,005
Auditors' remuneration		
- audit services	4,000	3,518
- non-audit services	520	500
Directors' emoluments	36,518	35,844
	<u>          </u>	<u>          </u>

### 4. Tax on profit on ordinary activities

	2007	2006
	£	£
<i>Domestic current year tax</i>	-	-
UK Corporation tax	162	-
	<u>          </u>	<u>          </u>
Current tax charge	162	-
	<u>          </u>	<u>          </u>

Notes forming part of the financial statements for the year ended 31 August 2007

**5 Tangible fixed assets**

	Leasehold improvements £	Furniture & fittings £	Office equipment £	Total £
Cost				
At 1 September 2006 and 31 August 2007	<u>8,411</u>	<u>3,117</u>	<u>2,279</u>	<u>13,807</u>
Depreciation				
At 1 September 2006	6,028	2,593	2,279	10,900
Charge for the year	<u>841</u>	<u>164</u>	<u>-</u>	<u>1,005</u>
At 31 August 2007	<u>6,869</u>	<u>2,757</u>	<u>2,279</u>	<u>11,905</u>
Net book value				
At 31 August 2007	<u>1,542</u>	<u>360</u>	<u>-</u>	<u>1,902</u>
At 31 August 2006	<u>2,383</u>	<u>524</u>	<u>0</u>	<u>2,907</u>

**6 Debtors**

	2007 £	2006 £
Trade debtors	139,675	96,139
Amounts owed by group companies	-	42,203
Other debtors	<u>9,331</u>	<u>5,924</u>
	<u>149,006</u>	<u>144,266</u>

All amounts shown under debtors fall due for payment within one year

## Notes forming part of the financial statements for the year ended 31 August 2007

**7 Creditors Amounts falling due within one year**

	2007	2006
	£	£
Trade creditors	13,281	9,306
Amounts owed to group undertakings	97,908	-
Other creditors	67,412	54,957
	<u>178,601</u>	<u>64,263</u>

**8. Deferred income**

	2007	2006
	£	£
Subscription and other income	<u>319,622</u>	<u>281,759</u>

**9. Share capital****Authorised share capital:**

	2007	2006
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**Allotted, called up and fully paid:**

	No	2007	No	2006
		£		£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**10. Related party disclosures**

The company has taken advantage of the exemptions allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose transactions with entities that are part of the group because consolidated financial statements in which it is included are publicly available

**11 Ultimate parent company and parent undertaking of larger group**

At 31 August 2007 the company's ultimate parent company was The Institute of Direct Marketing Limited

Copies of the consolidated financial statements of The Institute of Direct Marketing Limited are available from Companies House

**12. Contingent liabilities**

The company at the year end was party to a joint and several guarantee together with its fellow subsidiary The Institute of Direct Marketing Training Limited to secure the facilities granted by the companies' bankers

The security is supported as follows

- i) Cross guarantee structure between the fellow subsidiaries
- ii) Mortgage debentures over the fixed and floating assets of this company and its fellow subsidiary

At the year end the liabilities covered by this guarantee totalled £Nil (2006 £Nil)

**The following pages do not form part of the statutory financial statements  
which are the subject of the independent auditors' report on page 5**

**Detailed profit and loss account for the year ended 31 August 2007**

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	<b>Page</b>	<b>2007 £</b>	<b>2006 £</b>
<b>Turnover</b>		<b>476,034</b>	<b>437,469</b>
Cost of sales	14	<b>168,190</b>	<b>146,632</b>
		<hr/>	<hr/>
<b>Gross profit</b>		<b>307,844</b>	
Administrative expenses	14	<b>312,630</b>	<b>295,787</b>
		<hr/>	<hr/>
<b>Operating profit</b>		<b>(4,786)</b>	<b>(4,950)</b>
Interest receivable	14	<b>4,948</b>	<b>4,950</b>
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>162</b>	<b>-</b>
		<hr/>	<hr/>

## Detailed profit and loss account for the year ended 31 August 2007 (continued)

**Cost of sales**

	2007 £	2006 £
Purchases	168,190	146,632

**Administrative expenses**

	2007 £	2006 £
Staffing costs	105,427	134,119
Group service charge	197,909	150,532
Printing, postage and stationery	(481)	1,686
Telephone and telex	-	20
Subscriptions	13	-
Travel and subsistence	439	367
Entertaining	-	34
Professional fees	4,374	4,286
Sundry expenses	61	35
Depreciation	1,005	1,005
Bank charges	3,883	3,703
	<u>312,630</u>	<u>295,787</u>

**Interest receivable**

	2007 £	2006 £
Bank deposits	4,948	4,950