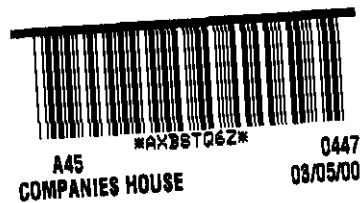


**REGISTRAR'S
COPY**

THE MARKETING COUNCIL
(A company limited by guarantee)
(Registered Charity No: 1051201)
(Company No: 3087758)

REPORT AND FINANCIAL STATEMENTS

30th SEPTEMBER 1999



The Marketing Council
(A company limited by guarantee)

Trustees and Directors

Frank Auton
Stephen Callender
David Campbell
David Chapman
Dr Laurie Wood

Secretary

Geoffrey Wilson

Auditors

Moore Stephens
Chartered Accountants
St. Paul's House, Warwick Lane, London, EC4P 4BN

Bankers

Lloyds Bank Plc
45 High Street, Maidenhead, Berkshire, SL6 1JS

Solicitors

Field Fisher Waterhouse
41 Vine Street, London, EC3N 2NN

Registered Office

Moor Hall, Cookham, Maidenhead, Berkshire, SL6 9QH

The Marketing Council

Trustees Report for the year ended 30th September 1999

The Trustees present the audited financial statements of The Marketing Council for the year ended 30th September 1999, which have been prepared in accordance with the Companies Act 1985 and comply with SORP - "Accounting by Charities".

Legal and Administrative

- The Marketing Council is a company limited by guarantee and is a registered charity under registration number 1051201.
- A Trustee can be appointed by a resolution passed by the existing Board of Trustees.
- Names of Trustees, Registered Office and details of advisors are given on page 1.
- The Trustees have power to invest Council's funds in the manner they deem fit.

Objectives

The objectives of The Marketing Council are to:

- identify industry's needs for marketing, training and organisation;
- create pathways to attract the brightest talent to marketing, and to provide them with the marketing education most relevant to the needs of industry;
- raise competence, skills and standards amongst marketers;
- promote NVQs in marketing, sales and other commercial functions;
- promote lifetime learning opportunities for those at the customer interface and;
- contribute to the development of the UK as a centre of excellence in marketing, and marketing education.

Review of Development and Activities

During late 1998 and early 1999 The Marketing Council carried out joint research with KPMG on the relationship between marketing and business success.

The Marketing Council scheme to promote marketing help for SMEs was launched through the Business Links with support from Warwick Business School and the DTI. A successful series of workshops to raise the profile of marketing has just been completed.

The Marketing Council commissioned the study "Marketing - The State of the Nation" by McKinsey & Co.

In May of this year The Marketing Council was associated with the Financial Mail on Sunday's Enterprise 2000 competition for fast-growing companies in the UK.

The Marketing Council

Trustees Report for the year ended 30th September 1999 (Continued)

Review of Development and Activities (Continued)

In November 1999 The Marketing Council held a joint conference with the British Council and BMP to promote a campaign to improve the reputation of British business overseas.

During both 1998 and 1999 a number of successful events have been held on Branding, Marketing Metrics, Supply Chain Management and E-Commerce.

Review of Transactions and Financial Position

The Marketing Council's overall income recorded a reduction.

21% (1998: 32%) of the total income was spent on direct charitable expenditure, 1% (1998: 4%) on fundraising and publicity and 64% (1998: 56%) on management and administration.

It is the intention of the Trustees to work towards reducing management and administration costs and providing additional funds towards the direct charitable expenditure.

The Marketing Council's funds at 30th September 1999 amounted to £94,182 an increase of £37,050 in the year under review.

Adequacy of Funds

The Trustees believe that The Marketing Council's assets are available and adequate to fulfil its obligations.

Year 2000

The trustees believe that the company has taken all reasonable steps to eliminate any potential risks which may arise from the Year 2000 problem with regard to internal use of computer systems and embedded chips and has obtained similar assurances in connection with its principal relationships with third parties. The total costs of ensuring Year 2000 compliance have not been quantified, but are not considered to be significant.

Trustees and Directors

The following trustees, who are also directors, resigned during the year:

	<u>Date of Resignation</u>
Anthony Greener	12th July 1999
Sir Dominic Cadbury	12th July 1999
Sir Colin Marshall	12th July 1999
Sir Michael Perry CBE	12th July 1999
Sir Peter Davis	12th July 1999
Sir John Egan	12th July 1999
George Bull	12th July 1999
Russ Nathan	12th July 1999
Charles Miller Smith	12th July 1999
Sir Richard Sykes	12th July 1999

The Marketing Council

Trustees Report for the year ended 30th September 1999 (Continued)

Trustees and Directors (Continued)

The following trustees, who are also directors were appointed during the year:

	<u>Date of Appointment</u>
Frank Auton	12th August 1999
David Campbell	8th June 1999
David Chapman	8th June 1999
Dr. Laurie Wood	8th June 1999
Stephen Callender	8th June 1999

Relationship with Other Bodies

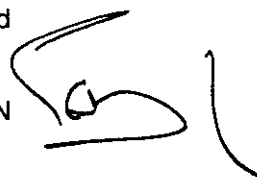
The trustees work closely with The Chartered Institute of Marketing because in their opinion, a close co-operation between the two bodies is essential for the achievement for The Marketing Council's objectives. The Chartered Institute of Marketing is a connected charity as it has common trustees and unity of administration. The principal contact address is the same as the registered office.

The Chartered Institute of Marketing charged The Marketing Council an administration charge of £12,000 for the use of computer equipment and services (1999 - £15,000).

By Order of the Board

GEOFFREY WILSON

Secretary



The Marketing Council

Statement of Trustees' Responsibilities

It is the Trustees' responsibility 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 surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

Report of the Auditors to the Members of The Marketing Council

We have audited the financial statements on pages 7 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective Responsibilities of Trustees and Auditors

As described on page 5 the charity's Trustees are responsible for the preparation of financial statements. 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 charity's circumstances, consistently applied and adequately disclosed.

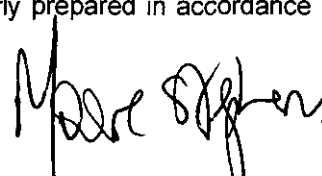
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity 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 the company's affairs at 30th September 1999 and of its incoming resources and application of resources including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St. Paul's House,
London, EC4P 4BN

5 APR 2000


MOORE STEPHENS
Chartered Accountants
Registered Auditor

The Marketing Council

**Statement of Financial Activities
For the year ended 30th September 1999**

	<u>Note</u>	<u>1999</u>	<u>1998</u>
Incoming Resources			
Subscriptions		141,400	327,624
Donations		59,000	64,170
Seminars and others		63,104	93,535
Interest receivable		1,114	2,785
Total Incoming Resources		£ 264,618	£ 488,114
Resources Expended			
Direct Charitable Expenditure:			
Research costs		-	5,034
Conference costs		7,027	22,145
Seminars and others		48,513	130,017
Other Expenditure:			
Fundraising and publicity		1,944	20,862
Management and administration	6	170,084	263,902
Total Resources Expended		£ 227,568	£ 441,960
Net Incoming Resources for the Year		37,050	46,154
Fund Balance at 1st October 1998		57,132	10,978
Fund Balance at 30th September 1999		£ 94,182	£ 57,132

The Marketing Council

Balance Sheet at 30th September 1999

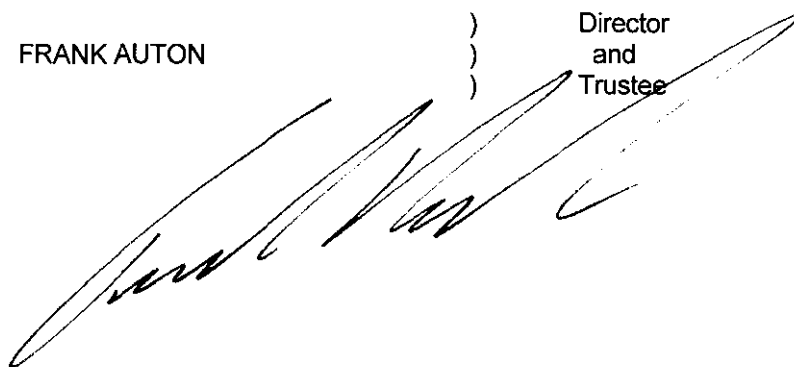
	Note	1999	1998
Fixed Assets			
Tangible assets	3	-	7,216
Current Assets			
Debtors	4	42,394	23,546
Cash at bank and in hand		66,716	53,778
		<u>109,110</u>	<u>77,324</u>
Creditors, amounts falling due within one year	5	(14,928)	(27,408)
Net Current Assets		<u>94,182</u>	<u>49,916</u>
Net Assets		<u><u>94,182</u></u>	<u><u>57,132</u></u>
Funds			
Unrestricted Fund		<u>94,182</u>	<u>57,132</u>
		£ <u><u>94,182</u></u>	£ <u><u>57,132</u></u>

Approved by the Directors and Trustees on

5 APR 2000

FRANK AUTON

)
)
) Director
 and
 Trustee



The Marketing Council

Financial Statements For the year ended 30th September 1999

Notes

1. Constitution

The Marketing Council is a registered charity under the Charities Act 1993.

2. Principal Accounting Policies

- (a) The financial statements have been prepared in accordance with applicable Accounting Standards and the Statements of Recommended Practice "Accounting by Charities".
- (b) Voluntary income is recorded when received.
- (c) Grants receivable are accounted for on an accruals basis.
- (d) Subscription income is recorded when received.
- (e) Fixed assets are stated at cost less accumulated depreciation. Depreciation of fixed assets is provided at a rate calculated to write off the cost of fixed assets over their anticipated useful lives. The rate used during the year was:

Motor vehicles - 25% straight line

- (f) Pension costs are charged when incurred.

3. Tangible Fixed Assets

	<u>Motor Vehicles</u>
Cost	
At 1st October 1998	24,740
Additions	25,770
Disposals	(50,510)
	<hr/>
At 30th September 1999	£ -
	<hr/>
Depreciation	
At 1st October 1997	17,524
Charge for the year	5,755
Disposals	(23,279)
	<hr/>
At 30th September 1999	£ -
	<hr/>
Net book value	
At 30th September 1999	£ -
	<hr/>
At 30th September 1998	£ 7,216
	<hr/>

The Marketing Council

Financial Statements
For the year ended 30th September 1999

Notes (Continued)

4. Debtors

	<u>1999</u>	<u>1998</u>
Other debtors	£ 42,394	£ 23,546

5. Creditors: amounts falling due within one year

	<u>1999</u>	<u>1998</u>
Bank loans and overdrafts	-	2,870
Other creditors	898	4,310
Accruals and deferred income	14,030	20,228
	£ 14,928	£ 27,408

6. Management and Administration Expenses

	<u>1999</u>	<u>1998</u>
Staff costs (note 7)	112,538	183,936
Training	2,858	2,575
Consultants	-	8,594
Telephone	815	1,624
Insurance	2,500	1,196
Legal and accountancy	1,606	4,257
Audit fees	6,500	8,350
Travel and subsistence	7,486	9,700
Printing and stationery	11,254	16,602
Sundry	4,782	1,797
Bank interest and charges	326	1,228
Depreciation	5,755	7,680
Motor vehicles	1,458	2,697
Meeting costs	4,098	244
Computer charges	12,000	15,000
Profit on sale of motor vehicle	(3,892)	(1,578)
	£ 170,084	£ 263,902

The Marketing Council
Financial Statements
For the year ended 30th September 1999
Notes (Continued)

7. Trustees and Employees

Trustees' Emoluments

None of the trustees received any emoluments in respect of their services to the Charity nor were they reimbursed for any expenses.

Staff Costs

	<u>1999</u>	<u>1998</u>
Wages and salaries	100,587	136,576
Social security costs	9,332	14,261
Pension costs	2,618	33,099
	<u>£ 112,537</u>	<u>£ 183,936</u>

The average monthly number of employees for the year was 3 (1998: 3).

Number of employees whose emoluments fell within the following ranges was:

	<u>1999</u>	<u>1998</u>
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1

Indemnity insurance

The Marketing Council has purchased an insurance policy to indemnify the trustees against the consequences of neglect or default on their part. The cost of this insurance was £1,300.

8 Pension Costs

The Marketing Council makes contribution towards the personal pension arrangements of eligible employees and all costs are charged as incurred.

9. Guarantee

Every member's guarantee is limited to a maximum of £100.