

Institute of Credit Management

Statutory Report of the Directors

In accordance with the requirements of the Companies Act 1985, the Executive Board presents its financial report, together with the audited statements of the Institute for the year ended 31 December 2009. The Board has adopted the provisions of the Statement of Recommended Practice issued by the Charity Commission, as revised in 2005, in preparing the annual report and financial statements for the Institute.

Reference and Administrative Information

Legal and administrative information about the Institute, including the names of the members of Council and the Executive Board during the year 2009, is shown on page 14.

Structure, Governance and Management

The Institute is a registered charity and is incorporated as a company limited by guarantee. It is governed by its Memorandum and Articles of Association as well as by rules set in place by its Executive Board.

In 2009 the Articles were amended, separating Council into an Advisory Council and an Executive Board, the former to be responsible for strategy, policy and direction and elected by Fellows and Members of the Institute, the latter to oversee the management of day-to-day business and be appointed by and from the Advisory Council.

Appointments to both the Advisory Council and the Executive Board are honorary and voluntary. Transitional arrangements are in place until 2010 when fresh appointments to both bodies will be made in mid-year elections.

The members of the Executive Board are the directors of the charitable company and its trustees for the purposes of charity law. After the transitional period, they are elected by the Advisory Council for a period of two years and meet quarterly. New trustees are provided with an induction pack outlining their duties and responsibilities. Ongoing trustee training is provided from time to time. There are committees dealing with the benevolent fund, education and technical matters. The Chief Executive Officer is appointed by the Executive Board to advise on policy and to manage the day-to-day operations of the Institute.

As a means of meeting its principal objectives, the Institute runs 26 branches throughout the United Kingdom. Each of these branches is a geographic grouping of ICM members who elect a committee to promote the Institute at local level, to provide meetings of an educational and training nature, to encourage the exchange of professional views between people working in credit management and to provide a network of help, advice and support. Members of branch committees act in a voluntary capacity and are governed by bye-laws set by the Executive Board.

The Institute has a wholly owned subsidiary, Institute of Credit Management (Services) Limited, which provides credit related services including training, the supply of learning materials and a recruitment consultancy. The accounts show the consolidated position of both companies. The subsidiary gifts all of its profits to the charity.

Risk Management The Executive Board has assessed the major risks to which the Institute is exposed, in particular those related to its operations and finances, and is satisfied that systems are in place to mitigate its exposure to those risks.

Objectives, Aims and Activities

The Institute's charitable objectives and aims are the education of the public concerning credit management and encouraging the study thereof. It promotes excellence in credit management and raises awareness of its vital role in business and the community.

It empowers the credit profession by

- being the centre of expertise for credit management
- gaining universal recognition that sound credit management keeps business in business
- maintaining relevant and up-to-date qualifications and occupational standards
- being recognised and respected as its voice
- supporting the career development of all people who work in credit management
- improving skills and standards through a growing membership
- continuously improving its products and services and being the first-choice provider
- promoting credit management through local, national and international networks



Review of Achievements and Performance

During 2009 the Institute

- established and ran several sessions of an all-sector, credit industry think-tank to lead thought and identify the key, current issues facing the profession
- commenced a series of bi-monthly regional roadshows to promote further its image, obtain additional members and to raise awareness of the importance of credit management
- obtained Ofqual approval for its new Level 2 Diploma in Credit Management thus making its qualifications available to a wider range of abilities
- implemented online learning and e-testing, the latter now being the main method of unit assessment
- introduced additional units for assessment by assignment and e-testing to broaden further the offering to industry and learning partners, eg units in money and debt advice and debt collection
- in conjunction with government and similar bodies, continued to make available best practice advice to business, a prime example being the Prompt Payment Code
- upgraded its internal technology infrastructure providing, inter-alia, better communication and data access
- piloted a quality award in credit management (QICM)
- introduced a new structure of governance

Financial Review

At £1,987,058 (2008 £2,459,916), total incoming resources for 2009 were down significantly. The trading subsidiary returned a deficit of £50,458 (2008 £147,383 surplus), the poor economic climate resulting in its revenue fall of 24%. The third major convention, icm09, was again a promotional success but the financial outcome, similar to 2008, fell well short of plan. *Credit Management* magazine's advertising revenues also suffered severely due to the economic downturn. On the positive side, membership numbers and related subscription income held up well and educational developments were achieved comfortably within budget. The overall group net deficit was £435,357 (2008 £167,884). Total reserves stood at £2,160,588 with no borrowings.

Investment Policy and Returns Under the Institute's Memorandum and Articles of Association the Executive Board has the power to invest, as it thinks fit, any monies not immediately required. The Executive Board has adopted a low risk investment strategy which has, historically, produced returns equal to, or better than, budget.

The Institute had £278,347 deposited with Kaupthing, Singer & Friedlander when the bank was put into administration in October 2008. A claim on the Financial Services Compensation Scheme was made and included in the 2008 balance sheet debtors. The claim was settled in full in March 2009.

During 2009, using Barclays Wealth as advisers, circa £1,000,000 was invested in low risk, financial products to better the poor returns currently available on simple deposits.

Investment Fund – In view of the fact that a not insignificant part of the Institute's surplus is derived from its investments, the Executive Board has designated £1,200,000 of reserves for this purpose.

Reserves Policy The majority of the income received and generated by the Institute is of an unrestricted nature but certain restricted funds and reserves are recognised within the accounts.

ICM Chair in Credit Management – In July 2005 the Institute agreed and renewed funding in support of the ICM Chair in Credit Management at Leeds University Business School. This agreement ended in June 2008 and has not been renewed.

Benevolent Fund - This was set up by the Institute to provide assistance to members or former members of the Institute, or their dependants, in need, hardship or distress. Applications for assistance are considered by a Benevolent Fund Committee which is comprised of the Institute's Honorary Treasurer (Chair) and two past Council members.

Branches The branches are funded partly by the Institute and partly by fundraising activities carried out by the branches themselves.

Plans for the Future

The Institute's plans include

- active promotion to business of the newly developed quality award in credit management (QICM)
- further development of the think-tank to monitor direction and receive new ideas
- completing the implementation of the revised structure and governance through mid-year elections to provide an industry balanced Advisory Council
- marketing to promote further its image, obtain additional members and raise awareness of the importance of credit management to business and the wider community, in particular through sponsored roadshows and one-day conferences
- continuing the review of its education scheme and qualifications, including the provision of Ofqual approved awards and, in particular, the updating of its Level 5 Diploma providing the MICM(Grad) qualification
- developing the education assessment system to provide an awarding vehicle for organisations in credit related industries thus creating additional income streams
- gaining accreditation to Ofqual's Qualifications and Credit Framework (QCF), a vehicle for learners to achieve a national certificate
- in conjunction with government and similar bodies, continuing to provide best-practice advice to the credit profession and the wider business community and, in particular, to find ways to encourage significant sign-up to the Prompt Payment Code
- preparing a major enhancement of its website
- returning the trading subsidiary to profit

Statement of the Executive Board's Responsibilities in the Preparation of Financial Statements

Company law requires the members of the Executive Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Institute and of the surplus or deficit of the Institute for that period. In preparing those financial statements, members of the Executive Board are required to

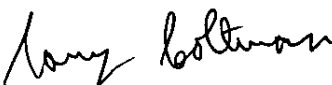
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- apply relevant accounting standards,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Institute will continue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

The members of the Executive Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Institute 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 Institute and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, Williams & Co, will be proposed for re-appointment at the Annual General Meeting.

Approved by the Executive Board and signed on its behalf


L. Colman
Chairman

9 March 2010

Institute of Credit Management

Consolidated Statement of Financial Activities *for the year ended 31 December 2009*

	<u>Note</u>	<u>Unrestricted Funds</u> £	<u>Restricted Funds</u> £	<u>Total 2009</u> £	<u>Total 2008</u> £
<u>Incoming Resources</u>					
Income from generated funds					
Voluntary income	2		429	429	15,171
Activities for generating funds					
- Income from subsidiary	4	1,061,205		1,061,205	1,389,240
Investment income	5	50,789	552	51,341	105,569
Income from charitable activities					
Membership subscriptions		550,561		550,561	555,374
Services to members	3	302,217		302,217	346,535
Branch activity	17	21,305		21,305	48,027
Total Incoming Resources		1,986,077	981	1,987,058	2,459,916
<u>Resources Expended</u>					
Costs of generated funds					
Expended from voluntary income					
- Chair in Credit Management			15,366	15,366	24,219
- Benevolent Fund			500	500	4,894
Fundraising trading – subsidiary	4	1,111,663		1,111,663	1,241,857
Charitable activities					
Services to members	3	717,425		717,425	752,445
Branch activity	17	58,854		58,854	72,514
Support	6	496,294		496,294	503,617
Governance	6	22,313		22,313	28,254
Total Resources Expended	6	2,406,549	15,866	2,422,415	2,627,800
Net Incoming/(Outgoing) Resources before Transfers		(420,472)	(14,885)	(435,357)	(167,884)
Transfers between funds	17				
Net Movement in Funds		(420,472)	(14,885)	(435,357)	(167,884)
Fund Balances brought forward at 1 January 2009	17	2,504,745	91,200	2,595,945	2,763,829
Fund Balances carried forward at 31 December 2009	17	2,084,273	76,315	2,160,588	2,595,945

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The deficit for the year for Companies Act purposes comprises the net outgoing resources for the year which includes realised gains on investments and was £435,357 (2008 £167,884).

Institute of Credit Management

Balance Sheet

as at 31 December 2009

	<u>Note</u>	<u>Group</u>		<u>Charity</u>	
		<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
		£	£	£	£
Fixed Assets					
Tangible assets	10	663,939	641,527	663,939	641,527
Investments	11			100	100
		663,939	641,527	664,039	641,627
Current Assets					
Stocks		4,225	4,831	4,225	4,831
Debtors	12	161,254	624,513	211,612	771,896
Short term investments	13	1,051,501	-	1,051,501	-
Cash at bank and in hand		602,097	1,769,675	602,097	1,769,675
		1,819,077	2,399,019	1,869,435	2,546,402
Creditors - amounts falling due within one year	14	(322,428)	(444,601)	(322,428)	(592,084)
Net Current Assets		1,496,649	1,954,418	1,547,007	1,954,318
Total Assets less Current Liabilities		2,160,588	2,595,945	2,211,046	2,595,945
Net Assets		2,160,588	2,595,945	2,211,046	2,595,945
Funds					
Unrestricted funds					
General funds	17	134,883	107,129	185,341	107,129
Designated funds	17	1,949,390	2,397,616	1,949,390	2,397,616
		2,084,273	2,504,745	2,134,731	2,504,745
Restricted funds	17	76,315	91,200	76,315	91,200
Total funds	17	2,160,588	2,595,945	2,211,046	2,595,945

Signed on 9 March 2010

Larry Goltman
L. Goltman
C. Sandbrook
C. Sandbrook

Institute of Credit Management

Consolidated Cash flow Statement for the year ended 31 December 2009

	<u>Note</u>	<u>2009</u> £	<u>2008</u> £
Net cash outflow from operating activities	(a)	(1,080,680)	(338,707)
Capital expenditure and related items			
Purchase of tangible fixed assets		(88,911)	(27,438)
Adjustment to fixed assets		(487)	(4)
Proceeds from sale of fixed assets		2,500	2,386
(Decrease) / Increase in cash in the year		<u>(1,167,578)</u>	<u>(363,763)</u>

The adjustment to fixed assets relates to value added tax, repayable to HM Customs & Excise under the capital goods scheme, incurred on the extension to The Water Mill completed in the year 2000

Notes to the Cash flow Statement

(a) Reconciliation of changes in resources to net cash inflow from operating activities

	<u>2009</u> £	<u>2008</u> £
Net incoming / (outgoing) resources	(435,357)	(167,884)
Loss on sale of tangible fixed assets	2,554	3,110
Depreciation	61,932	50,235
Decrease in stock	606	239
Decrease / (Increase) in debtors	463,259	(307,487)
(Increase) in Short term investments	(1,051,501)	-
(Decrease) / Increase in creditors	(122,173)	83,080
Net cash (outflow) / inflow from operating activities	<u>(1,080,680)</u>	<u>(338,707)</u>

(b) Reconciliation of net cash flow to movement in net funds

	<u>2009</u> £	<u>2008</u> £
Cash decrease in the period	(1,167,578)	(363,763)
Movement in net funds in the year	(1,167,578)	(363,763)
Net funds at 1 January	1,769,675	2,133,438
Net funds at 31 December	<u>602,097</u>	<u>1,769,675</u>

(c) Analysis of net funds

	<u>1 January 2009</u> £	<u>Cash flow</u> £	<u>31 December 2009</u> £
Cash at bank and in hand	1,769,675	(1,167,578)	602,097
	<u>1,769,675</u>	<u>(1,167,578)</u>	<u>602,097</u>

Institute of Credit Management

Notes to the Accounts

for the year ended 31 December 2009

1 Accounting Policies

(a) Accounting Convention

The Accounts are prepared under the Historical Cost Convention and in accordance with the reporting requirements of the Companies Act 1985, together with applicable accounting standards and in accordance with the Financial Reporting Standards for Smaller Entities (effective 2007)

(b) Accounting by Charities

The Institute has complied with the Statement of Recommended Practice (SORP 2005) "Accounting and Reporting by Charities"

The Institute has also included the activities of all the branches throughout the country in its financial statements. Branches are required to remit a record of all transactions carried out in the year to Head Office for inclusion in the financial statements

(c) Incoming Resources

- (i) Members' and learners' subscriptions received are credited to income in the year they are received. Examination fees are credited to income in the year that the related examination takes place
- (ii) All the profits earned by the subsidiary company in the year are paid to the Institute by deed of covenant
- (iii) All other income is credited to revenue when earned

(d) Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Support costs are those incurred in connection with services and administration enabling the day-to-day functioning of the charity. Governance costs include relevant legal, trustee, committee and audit expenditure

(e) Depreciation

Fixed assets are depreciated so as to write off their costs over their estimated useful lives

Land and Buildings	2% Straight Line	Fixtures and Fittings	15% Straight Line
Motor Vehicles	25% Reducing Balance	Computer Equipment	25% Straight Line

(f) Stock

Stock of publications is valued at the lower of cost or net realisable value

(g) Operating Lease Rental

Rentals payable in respect of an operating lease are charged to the profit and loss account as incurred

(h) Group Accounts

The Institute has prepared Group accounts in accordance with FRS 2

In accordance with S228 (7) of the Companies Act 1985 and paragraph 304 of the SORP the parent company revenue account has not been published. The deficit dealt with by the parent company was £384,899

(i) Pensions

The Institute operates a defined contribution scheme – see note 8

(j) Deferred Tax

The Institute is a registered charity and pays no corporation tax. Therefore no deferred tax liability arises

(k) Foreign Currencies

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of financial activities

Notes to the Accounts for the year ended 31 December 2009 continued

2 Donations and Gifts

	<u>2009</u>	<u>2008</u>
	£	£
Individuals	179	171
Corporate donors	250	10,000
Charitable foundations	-	5,000
	<u>429</u>	<u>15,171</u>

3 Services to Members

	<u>Income</u>	<u>Expenditure</u>	<u>Surplus/(Deficit)</u>	<u>2008</u>
	£	£	£	£
Credit Management Magazine	152,137	245,300	(93,163)	(25,517)
Education and Examinations	150,080	289,445	(139,365)	(154,768)
Committee Services and Publicity		182,680	(182,680)	(225,625)
	<u>302,217</u>	<u>717,425</u>	<u>(415,208)</u>	<u>(405,910)</u>

4 Income from Trading Subsidiary

The Institute has a wholly owned trading subsidiary, Institute of Credit Management (Services) Limited. A summary of its results is shown below and audited accounts will be filed with the Registrar of Companies. All profits earned by the subsidiary are covenanted to the Institute of Credit Management.

	<u>Income</u>	<u>Expenditure</u>	<u>Profit/(Loss)</u>	<u>2008</u>
	£	£	£	£
Institute of Credit Management (Services) Ltd	1,061,205	1,111,663	(50,458)	147,383

5 Investment Income

	<u>2009</u>	<u>2008</u>
	£	£
Interest receivable	20,211	105,569
Gain on disposal of investment	<u>31,130</u>	<u>-</u>
	<u>51,341</u>	<u>105,569</u>

6 Analysis of Total Resources Expended

	<u>Staff Costs</u>	<u>Other</u>	<u>Depreciation</u>	<u>Total</u>	<u>2008</u>
	£	£	£	£	£
<u>Cost of Generated Funds</u>					
Chair in Credit Management		15,366		15,366	24,219
Benevolent Fund		500		500	4,894
Expenditure through subsidiary	256,080	855,583		1,111,663	1,241,857
	<u>256,080</u>	<u>871,449</u>		<u>1,127,529</u>	<u>1,270,970</u>
<u>Charitable Activities</u>					
Services to members	309,535	407,890		717,425	752,445
Local branch activity		58,854		58,854	72,514
Support	310,336	124,026	61,932	496,294	503,617
	<u>619,871</u>	<u>590,770</u>	<u>61,932</u>	<u>1,272,573</u>	<u>1,328,576</u>
<u>Governance</u>		22,313		22,313	28,254
	<u>875,951</u>	<u>1,484,532</u>	<u>61,932</u>	<u>2,422,415</u>	<u>2,627,800</u>

Notes to the Accounts for the year ended 31 December 2009 continued

Other direct costs include

	<u>2009</u>	<u>2008</u>
	£	£
Auditors' remuneration		
Audit fee	6,800	7,013
Accountancy, taxation and other services	1,200	1,237
Legal and Professional	18,734	36,217
Operating lease rentals – plant and equipment	9,490	9,490

7 Trustees

Trustees charged the institute for services rendered a total of £1,593 (2008 £1,239) for specific activities outside their capacity as trustees

A total of £13,147 (2008 £20,069) was paid to trustees in respect of reimbursed expenses for business carried out on behalf of the Institute

8 Staff Costs

The average number of staff employed by the Institute in 2009 was 20 Full Time, 12 Part Time (2008 22 and 12)

	<u>2009</u>	<u>2008</u>
	£	£
Wages and salaries	756,998	761,919
Social Security costs	73,367	74,037
Pension costs	45,586	41,018
	<u>875,951</u>	<u>876,974</u>

The pension scheme referred to above is a money purchase pension scheme The Institute contributes up to 12.3% of gross salary for those staff entitled to join

9 Taxation

The Institute is a registered charity and pays no corporation tax

Notes to the Accounts for the year ended 31 December 2009 continued

10 Tangible Fixed Assets

	<i>Freehold Land and Buildings</i>	<i>Fixtures and Fittings</i>	<i>Computers & Software</i>	<i>Motor Vehicles</i>	<i>Total</i>
	£	£	£	£	£
Cost					
At 1 January 2009	782,429	106,325	141,333	74,439	1,104,526
Additions		1,035	65,173	22,703	88,911
Disposals			(3,541)	(19,787)	(23,328)
Adjustment	487				487
At 31 December 2009	782,916	107,360	202,965	77,355	1,170,596
Depreciation					
At 1 January 2009	199,751	101,574	115,101	46,573	462,999
Charge for the year	15,659	1,554	32,076	12,643	61,932
Disposals			(3,182)	(15,092)	(18,274)
At 31 December 2009	215,410	103,128	143,995	44,124	506,657
Net Book Value					
At 31 December 2009	567,506	4,232	58,970	33,231	663,939
At 31 December 2008	582,678	4,751	26,232	27,866	641,527

Freehold Land and Buildings

The freehold land and buildings represent the cost of the property known as The Water Mill in South Luffenham, Leicestershire. The adjustment to freehold land and buildings relates to value added tax, repayable under the HM Customs & Excise capital goods scheme, incurred on the extension to The Water Mill completed in the year 2000.

The Net Book Value at 31 December 2009 represents Fixed Assets used for

	£	£	£	£	£
Institute Headquarters and Support	567,506	1,410	9,829	27,875	606,620
Education and Membership		1,412	39,313	4,572	45,297
Subsidiary activity		1,410	9,828	784	12,022
	567,506	4,232	58,970	33,231	663,939
11 Investments	2009	2008			
	£	£			
Investment in subsidiary at cost	100	100			

The Institute beneficially owns all of the issued £100 share capital in the Institute of Credit Management (Services) Limited, a company incorporated in England.

Notes to the Accounts for the year ended 31 December 2009 continued

	Group		Charity	
	2009	2008	2009	2008
	£	£	£	£
12 Debtors				
Trade debtors	93,230	111,662	93,230	111,662
Prepayments and other debtors	68,024	512,851	118,382	660,234
	<u>161,254</u>	<u>624,513</u>	<u>211,612</u>	<u>771,896</u>

Included in other debtors at 31 December 2008 is £278,347 due from the Financial Services Compensation Scheme in relation to the administration of Kaupthing, Singer & Friedlander. The full proceeds were received in March 2009.

13 Short Term Investments

These are low risk investment products, linked to stock market indices, with guaranteed redemption provisions. The Executive Board have taken professional advice on all purchases. Market value of £1,101,168 exceeds cost value by £49,667.

	Group		Charity	
	2009	2008	2009	2008
	£	£	£	£
14 Creditors - amounts falling due within one year				
Trade creditors	102,848	176,275	102,848	176,275
Accruals and deferred income	176,277	222,229	176,277	369,712
VAT and PAYE payable	43,303	46,097	43,303	46,097
	<u>322,428</u>	<u>444,601</u>	<u>322,428</u>	<u>592,084</u>

15 Contingent Liabilities and Capital Commitments

There are no contingent liabilities.

Capital commitments at 31 December 2009 were £Nil (2008 £40,250).

16 Financial Commitments

At 31 December the Institute had annual commitments under non-cancellable operating leases and other agreements as follows:

	2009	2008	2009	2008
	Plant & Equipment	Plant & Equipment	Other	Other
	£	£	£	£
Under one year	7,117	9,490	28,131	26,403
Two to five years		7,117	5,800	488

17 Statement of Funds

	At 1 January 2009	Income	Expenditure	Head Office grants	Transfers	At 31 December 2009
	£	£	£	£	£	£
General reserve	107,129	1,964,772	2,347,695	(16,911)	427,588	134,883
Designated funds						
Branch	106,089	21,305	58,854	16,911		85,451
Fixed asset fund	641,527				22,412	663,939
Investment fund	1,650,000				(450,000)	1,200,000
Total unrestricted funds	<u>2,504,745</u>	<u>1,986,077</u>	<u>2,406,549</u>			<u>2,084,273</u>
Restricted funds						
ICM Chair in Credit Management	21,517		15,366			6,151
Benevolent fund	69,683	981	500			70,164
Total	<u>91,200</u>	<u>981</u>	<u>15,866</u>			<u>76,315</u>
Total funds	<u>2,595,945</u>	<u>1,987,058</u>	<u>2,422,415</u>			<u>2,160,588</u>

Notes to the Accounts for the year ended 31 December 2009 continued

The general reserve represents the free funds of the charity which are not designated for particular purposes

The fixed asset fund has been set up to assist in identifying those funds that are not free funds and it represents the net book value of tangible fixed assets

The branch reserve represents the cumulative bank balances held at the branches

The investment fund recognises the fact that a significant part of the Institute's surplus is derived from its investments. The Executive Board has designated £1,200,000 of reserves for this purpose

The agreement with Leeds University Business School, for the Institute and several commercial sponsors to support a chair for research into credit matters, expired in June 2008 and has not been renewed. Other avenues of research are being considered

The benevolent fund is represented by funds maintained in a separately established bank account

18 Analysis of Group Net Assets between Funds

	Restricted funds	Designated funds	General funds	Total
	£	£	£	£
Fund balances at 31 December 2009 are represented by				
Tangible fixed assets		663,939		663,939
Current assets	76,315	1,285,451	457,311	1,819,077
Current liabilities			(322,428)	(322,428)
Total net assets	76,315	1,949,390	134,883	2,160,588

19 Control Note

The charity is controlled by its Executive Board

Report of the Independent Auditors to the Members of the Institute of Credit Management

We have audited the financial statements of the Institute of Credit Management and group company for the year ended 31 December 2009 on pages 4 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Institute's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Institute's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Institute and the Institute'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

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and Institute's affairs as at 31 December 2009 and of its deficit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

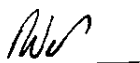
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



M Williams FCA (Senior Statutory Auditor)
for and on behalf of Williams & Co
Chartered Accountants
& Registered Auditors
8/10 South Street
Epsom
Surrey
KT18 7PF

Date 9th March 2010

Institute of Credit Management

Members of the Council and Executive Board of the Institute during 2009

On 11 June 2009, following the AGM at which new governance arrangements were approved and with the exception of Chairman, Vice-Chairman and Honorary Treasurer, all members of Council resigned their appointments as directors and trustees of the Institute. Most continued to serve the Institute as members of the new Advisory Council. In accordance with transitional arrangements, Chairman, Vice-Chairman and Honorary Treasurer formed the initial Executive Board and were joined in September by three others elected by and from the Advisory Council.

Executive Board members are now the directors and trustees of the Institute.

Council (to 11 June 2009)

President

Master Robert Turner

Vice Presidents

D Ancliffe

GS Bullivant

BJ Linger

Chairman of Council

L Coltman

Vice Chairman of Council

C Robertson

Honorary Treasurer

C Sandbrook

AJ Bown

RC Dixon

D Harrison

CI Hobbs

S Hopewell

MC Howson

BG Lewis

S McCrory

EM Meredith

L Mills

CA Morgan

P Roberts

RE Seadon

SM Skipwith

PM Stevenson

MN Storer

Executive Board (from 11 June 2009)

L Coltman - Chairman

C Robertson - Vice-Chairman

C Sandbrook - Honorary Treasurer

D Ancliffe (appointed 8 September 2009)

GS Bullivant (appointed 8 September 2009)

BJ Linger (appointed 8 September 2009)

Chief Executive Officer

PJ King

Registered Office

The Water Mill, Station Road, South Luffenham, Oakham, Leics LE15 8NB

Auditors

Williams & Co, 8/10 South Street, Epsom, Surrey KT18 7PF

Bankers

National Westminster Bank, 69 Bridge Street, Worksop S80 1DG

Solicitors

Greenwoods, Monkstone House, City Road, Peterborough PE1 1JE

Charity number

1012200

Company number

351974