

Institute of Credit Management

Statutory Report of the Council

In accordance with the requirements of the Companies Act 1985 the Council presents its report, with the audited statements of the Institute, for the year ended 31 December 2000.

Incorporation and Principal Activity

The Institute is a registered charity and is incorporated as a company limited by guarantee. The principal activity is the advancement of the education of the public concerning credit management and encouraging the study thereof.

Review of Business

The results for the year and financial position of the Institute are shown in the attached financial statements.

Council

The Members of Council during 2000 are shown on page 10.

Fixed Assets

Information relating to changes in fixed assets is given in note 6 of the accounts.

Statement of Council Members' Responsibilities

Company law requires the members of Council 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, the members of Council are required to:

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

The members of Council are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Institute 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 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.

By order of the Council



PA Rowe
Director General

13 March 2001



Institute of Credit Management

Consolidated Statement of Financial Activities as at 31 December 2000

	<u>Note</u>	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total</u> <u>2000</u> £	<u>Total</u> <u>1999</u> £
<u>Incoming Resources</u>					
Donations and gifts			81,855	81,855	81,480
Membership subscriptions		447,342		447,342	436,826
Investment income		54,735		54,735	53,434
Income from services to members	2	276,787		276,787	297,345
Income from subsidiary	3	1,052,512		1,052,512	992,245
Income from branch activity		72,883	37	72,920	68,733
<u>Total Incoming Resources</u>		1,904,259	81,892	1,986,151	1,930,063
<u>Resources Expended</u>					
<u>Direct charitable expenditure</u>					
Services to members	2	(386,260)		(386,260)	(417,195)
Expenditure through subsidiary	3	(763,502)		(763,502)	(719,261)
Local branch activity		(102,067)	(790)	(102,857)	(91,481)
Benevolent Fund					(3,000)
Chair in Credit Management			(80,000)	(80,000)	(80,000)
<u>Other expenditure</u>					
Administration costs		(428,464)		(428,464)	(363,398)
<u>Total Resources Expended</u>	4	(1,680,293)	(80,790)	(1,761,083)	(1,674,335)
<u>Net Incoming/(Outgoing)</u>					
<u>Resources before Transfers</u>		223,966	1,102	225,068	255,728
Transfers to funds		(5,000)	5,000	-	-
<u>Net Incoming/(Outgoing) Resources</u>		218,966	6,102	225,068	255,728
Fund balances brought forward					
1 January 2000		1,792,043	68,806	1,860,849	1,605,121
<u>Fund balances carried forward</u>					
31 December 2000		2,011,009	74,908	2,085,917	1,860,849

Institute of Credit Management

Balance Sheet

as at 31 December 2000

	<u>Note</u>	<u>Group</u>		<u>Charity</u>	
		<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
<u>Fixed Assets</u>		£	£	£	£
Tangible assets	6	874,962	836,469	874,962	836,469
Investments	7			100	100
		874,962	836,469	875,062	836,569
<u>Current Assets</u>					
Stocks		7,616	9,055	7,616	9,055
Debtors	8	192,739	139,797	481,749	412,781
Short term deposits		1,021,519	999,456	1,021,519	999,456
Cash at bank and in hand		201,930	127,193	201,930	127,193
		1,423,804	1,275,501	1,712,814	1,548,485
Creditors - amounts falling due within one year	9	(212,849)	(251,121)	(501,959)	(524,205)
<u>Net Current Assets</u>		1,210,955	1,024,380	1,210,855	1,024,280
<u>Total Assets less Current Liabilities</u>		2,085,917	1,860,849	2,085,917	1,860,849
<u>Net Assets</u>		2,085,917	1,860,849	2,085,917	1,860,849
<u>Income Funds</u>					
Unrestricted funds	10	2,011,009	1,792,043	2,011,009	1,792,043
Restricted funds	11	74,908	68,806	74,908	68,806
		2,085,917	1,860,849	2,085,917	1,860,849

Signed on 13 March 2001

GS Bullivant

BJ Linger

Institute of Credit Management

Consolidated Cashflow Statement for the Year ended 31 December 2000

	<u>Note</u>	<u>2000</u> £	<u>1999</u> £
Net cash inflow from operating activities	(i)	193,273	374,291
Investment activities:			
Purchase of tangible fixed assets		(98,478)	(528,691)
Proceeds from sale of fixed assets		2,005	-
Increase/(Decrease) in cash and cash equivalents	(ii)	96,800	(154,400)
Cash and cash equivalents at 31 December 1999		1,126,649	1,281,049
Cash and cash equivalents at 31 December 2000		1,223,449	1,126,649

Notes to the Cashflow Statement

(i)	Reconciliation of changes in resources to net cash inflow from operating activities	<u>2000</u> £	<u>1999</u> £	
	Operating surplus	225,068	255,728	
	Depreciation	57,980	46,376	
	(Decrease)/Increase in creditors - Current liabilities	(38,272)	43,723	
	(Increase)/Decrease in debtors/prepayments	(52,942)	28,373	
	Decrease in stocks	1,439	91	
		193,273	374,291	
(ii)	Analysis of changes in cash and cash equivalents during the year	<u>2000</u> £	<u>1999</u> £	<u>Change in year</u> £
	Short term deposits	1,021,519	999,456	22,063
	Cash at bank and in hand	201,930	127,193	74,737
		1,223,449	1,126,649	96,800

The notes on pages 5 to 9 form part of these accounts.

Institute of Credit Management

Notes to the Accounts

for the year ended 31 December 2000

Constitution and Charitable Status

Constitution

The Company is limited by guarantee without a share capital.

Charitable Status

The Institute is registered as a charity with the Charity Commissioners under the Charities Act 1960 (Registration number 1012200).

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.

(b) Accounting by Charities

The Institute has complied with the Statement of Recommended Practice (SORP 2) "Accounting 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 students' 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) 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

(e) Stock

Stock of publications is valued at lower of cost and net realisable value.

(f) Operating Lease Rental

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

(g) Group Accounts

The Institute has prepared Group accounts in accordance with FRS 2.

In accordance with S228(7) of the Companies Act 1985 the parent company revenue account has not been published. The deficit dealt with by the parent company was £63,942.

2 Services to Members

	<u>Income</u>	<u>Expenditure</u>	<u>Surplus/(Deficit)</u>	<u>1999</u>
	£	£	£	£
Credit Management Magazine	236,699	205,926	30,773	24,840
Education and Examinations	40,088	129,352	(89,264)	(88,555)
Committee Services and Publicity		50,982	(50,982)	(56,135)
	276,787	386,260	(109,473)	(119,850)

3 Income from Trading Subsidiary

The Institute has one 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>Surplus/(Deficit)</u>	<u>1999</u>
	£	£	£	£
Recruitment Service	248,013	73,628	174,385	152,093
Books and Distance Learning	106,995	87,453	19,542	32,550
Seminars and Courses	697,504	527,043	170,461	154,481
Administration		75,378	(75,378)	(66,140)
	<u>1,052,512</u>	<u>763,502</u>	<u>289,010</u>	<u>272,984</u>

4 Analysis of Total Resources Expended

	<u>Staff Costs</u>	<u>Other</u>	<u>Depreciation</u>	<u>Total</u>	<u>1999</u>
	£	£	£	£	£
<u>Direct charitable expenditure</u>					
Services to members	131,161	255,099		386,260	417,195
Expenditure through subsidiary	187,191	576,311		763,502	719,261
Local branch activity		102,857		102,857	91,481
Benevolent Fund					3,000
Chair in Credit Management		80,000		80,000	80,000
	<u>318,352</u>	<u>1,014,267</u>		<u>1,332,619</u>	<u>1,310,937</u>
<u>Other expenditure</u>					
Administration costs	247,697	122,787	57,980	428,464	363,398
	<u>566,049</u>	<u>1,137,054</u>	<u>57,980</u>	<u>1,761,083</u>	<u>1,674,335</u>

Staff Costs

The average number of staff employed by the Institute in 2000 was 20 Full Time, 7 Part Time. (1999: 20 and 6).

	<u>2000</u>	<u>1999</u>
	£	£
Wages and Salaries	482,582	452,480
Social Security costs	45,175	42,477
Pension costs	38,292	31,781
	<u>566,049</u>	<u>526,738</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.

Other Costs

	£	£
Audit	5,600	5,500
Non audit fees paid to auditors	588	3,476
Legal and Professional	8,000	4,777
Operating leases	6,800	1,700

Trustees

No remuneration was paid to any trustee.

Trustees received a total of £10,362 in respect of reimbursed expenses carried out on behalf of the Institute (1999: £10,940).

5 Taxation

The Institute is a registered charity and pays no corporation tax.

6 Tangible Fixed Assets

	<i>Freehold Land and Buildings</i>	<i>Fixtures and Fittings</i>	<i>Computer Equipment</i>	<i>Motor Vehicles</i>	<i>Total</i>
	£	£	£	£	£
Cost					
At 1 January 2000	827,132	60,136	158,906	62,225	1,108,399
Additions	12,593	34,594	11,282	40,009	98,478
Disposals				(11,265)	(11,265)
At 31 December 2000	839,725	94,730	170,188	90,969	1,195,612
Depreciation					
At 1 January 2000	55,500	43,918	124,494	48,018	271,930
Charge for the year	16,794	8,142	19,491	13,553	57,980
Disposals				(9,260)	(9,260)
At 31 December 2000	72,294	52,060	143,985	52,311	320,650
Net Book Value					
At 31 December 2000	767,431	42,670	26,203	38,658	874,962
At 31 December 1999	771,632	16,218	34,412	14,207	836,469
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 site development, which began in 1999, has recently been completed.					
The Net Book Value at 31 December 2000 represents Fixed Assets used for:					
	£	£	£	£	£
Institute headquarters and administration	767,431	9,601	5,896	3,502	786,430
Examinations and membership		20,268	12,446	2,895	35,609
Subsidiary activity		12,801	7,861	32,261	52,923
	767,431	42,670	26,203	38,658	874,962
	2000	1999			
7 Investments	£	£			
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 the United Kingdom.

Notes to the Accounts for the year ended 31 December 2000 continued

	Group		Charity	
	2000	1999	2000	1999
	£	£	£	£
8 Debtors				
Trade debtors	157,169	105,055	157,169	105,055
Prepayments and other debtors	35,570	34,742	324,580	244,940
Tax recoverable	-	-		62,786
	192,739	139,797	481,749	412,781

	2000	1999	2000	1999
	£	£	£	£
9 Creditors - amounts falling due within one year				
Trade creditors	111,098	158,972	111,098	158,972
Accruals	60,824	60,943	349,934	334,027
VAT and PAYE payable	40,927	31,206	40,927	31,206
	212,849	251,121	501,959	524,205

10 Unrestricted Funds

	Balance 1 January	Head Office Grants	Movement in Resources		Balance 31 December
	£	£	Incoming £	Outgoing £	£
General	1,704,397	(33,908)	1,831,376	(1,583,226)	1,918,639
Branch	87,646	33,908	72,883	(102,067)	92,370
	1,792,043	-	1,904,259	(1,685,293)	2,011,009

11 Restricted Funds

	Balance 1 January	Movement in Resources		Balance 31 December
	£	Incoming £	Outgoing £	£
ICM Chair in Credit Management	37,403	80,000	(80,000)	37,403
Benevolent Fund	28,952	6,855	-	35,807
Branch	2,451	37	(790)	1,698
	68,806	86,892	(80,790)	74,908

12 Contingent Liabilities

The Institute has no contingent liabilities.

13 Financial Commitments

At 31 December 2000 the Institute had commitments for payments in the following year under non-cancellable operating leases:

	2000	1999
	£	£
Operating leases which expire in 2001	888	-
Operating leases which expire in 2002	6,800	6,800

The ICM Chair in Credit Management was renewed for another five years from July 1998 and is now based at the University of Leeds. The Institute will contribute £10,000 per annum for the duration of these arrangements.

Notes to the Accounts for the year ended 31 December 2000 continued

14 Capital Commitments

	2000 £	1999 £
Authorised	27,500	-

15 Analysis of Group Net Assets between Funds

	<u>Fixed Assets</u> £	<u>Current Assets</u> £	<u>Creditors due within one year</u> £	<u>Total</u> £
Restricted		74,908		74,908
Unrestricted	874,962	1,348,896	(212,849)	2,011,009
	874,962	1,423,804	(212,849)	2,085,917

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

We have audited the financial statements on pages 2 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of Council and Auditors

As described on page 1, the Institute's Council is 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 members of Council 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 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 the Institute's affairs as at 31 December 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Williams & Co

*Williams & Co, Chartered Accountants & Registered Auditors
8/10 South Street
Epsom
Surrey KT18 7PF*

13 March 2001

Institute of Credit Management

Members of the Council of the Institute during 2000

D Ancliffe	BJ Linger
R Barnes	JC McEvoy
EJ Brown	EM Meredith
J Brown	PGL Mudge
GS Bullivant	JE Phillips
L Coltman	TW Phillips
Sir Roger Cork	MS Posner
B Freedman	TW Robinson
D Harrison	C Sandbrook
CS Heath	PM Stevenson
S Hopewell	AH Streeter
MC Howson	SED Thomson
PJ King	