

Company Registration No. 00975635 (England and Wales)

THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED
(LIMITED BY GUARANTEE)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010

THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED

(LIMITED BY GUARANTEE)

COMPANY INFORMATION

Directors at 30 Sept 2010

Bob Suppiah (Chairman)
Clive Mishon (Past Chairman)
Peter Kerr
Stephen Bentley
Becky Munday
Helen Joubert
Cindy Roper
Paul Godwin
Ian Moore
Susan Speller
John Sylvester
Graham Temple
Samuel Blunt
James Williams
Nicola Thompson

Company number 00975635
Registered office 70 Margaret Street
London
W1W 8SS

Auditors Beavis Morgan Audit Limited
82 St John Street
London
EC1M 4JN

Fellows of The Institute

Ian Allchild	Tim Arnold	Keith Bantick
Tony Barnes	Chris Bestley	Andrew Brown
Stephen Callender	Colin Chamberlain	Philip Circus
Jon Cooper	Alan Crossman	David Dargan
John Farrell	Iain Ferguson	Peter Franklin
Ian Fryer	John Fuller	Leys Geddes
Graham Griffiths	Colin Hall	Jack Heath
John Hooper CBE	Roger Hyslop	Mike Johnson
Peter Kerr	Peter le Conte	Faith Legh
Stuart MacMillan Pratt	Simon Mahoney	Andrew Marsden
Tim Mason	Richard Millett	Clive Mishon
Brian Mitchell	Colin Lloyd	Vanita Pandey
Roy Piercy	James C Porteous MBE	Jeremy Sandys-Winsch
Gordon Savage	Brian Seymour	Robert Simmons
Brenda Simonetti	Mike Slipper	Ken Spedding
Randle Stonier	Alan Toop	Philip Town
Kevin Twitney	Ken Vaughan	Aubrey Watson
Nick Wells	John Williams	Alan Wolfe

New Fellows (announced 25 Sept 2010)

Graham Kemp	Becky Munday	Alistair Mitchell
Guy Parker		

**THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED
(LIMITED BY GUARANTEE)
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THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED (LIMITED BY GUARANTEE) DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

The directors present their report and financial statements for the year ended 30 September 2010.

Principal activities

The principal activity of the company continued to be that of the advancement of sales promotion.

Review of business for the year

During a period of distinct economic turbulence, the Institute of Promotional Marketing (formerly known as the ISP) set itself a particularly aggressive and ambitious agenda. With the interests of all stakeholders, and those of the industry at large, always at the heart of any activity, the Institute, led by Chairman Clive Mishon and CEO Annie Swift, has adopted a more inclusive, vocal and assertive stance which, in a number of cases, has taken us in to uncharted, yet highly relevant territories, not least to the change of name.

Promotions are executed by brands across all industries and in all media channels. Sales promotion remains a valid technique for promotional marketers, but the term promotional marketing better represents the broader role that promotional content plays in the strategic development and deployment of behaviour-changing communications within the marketing communications industry, of which sales are but one goal. Hence, as at the end of May 2010, the Institute of Sales Promotion became the Institute of Promotional Marketing.

Promotions are the predominant creative content across all communication channels - from digital, direct and experiential through to more traditional media such as press, TV and radio. This inclusiveness is now reflected in all the services we offer, from education and legal advice through to research, awards, events and lobbying, and in the new services to be introduced in the near future.

Of course, promotions still have to tick all the right boxes: and compliance, particularly in the digital arena, should be at the top of the agenda for all those involved in the creation and execution of promotions, whichever media channels are used. Promotions which are run professionally and effectively will strike the right chord with consumers. Promotions which are run ineffectively and with scant regard for consumer-protecting rules can damage a brand's reputation, and that of the agencies and suppliers behind them. To this end, the Institute of Promotional Marketing launched The Seal: a consumer-facing accreditation scheme. The Seal is awarded by our legal advisory team only to those promotions deemed to be legal, decent, honest and truthful - in every respect. Consumers can therefore participate in a promotion safe in the knowledge that it will do 'what it says on the tin'.

This year has also seen the expansion of the Institute of Promotional Marketing's Education programme. More emphasis has been placed on digital communications and new courses have been launched for brand owners and for the motivation industry. At the request of our members, June 2010 also saw the launch of a 'Soft Skills' training including sessions on procurement, briefing, negotiation and pitching.

Throughout the last year, the Institute of Promotional Marketing has adopted a more proactive and determined stance on the communications front following the appointment of Martin Croft as Head of Communications. Coupon fraud, an issue we have been campaigning against, was exposed by The Mail and followed up in a number of trade publications, including the Grocer. The results of eye-tracking research, likening the effects of certain promotions to watching porn, were picked up by press and radio around the world. Further research on poor availability of promoted products in certain retailers also gained widespread coverage in both the nationals and the trades and outgoing Chairman, Clive Mishon, recently appeared on BBC Breakfast News discussing the issue of 'confusing' pricing.

Continuing on the theme of coupons, eradicating mis- and mal-redemption were also top of the agenda and, following persistent lobbying by the Institute, the last 12 months have seen major retailers change their policies, only accepting coupons if the relevant product is in the basket.

THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED

(LIMITED BY GUARANTEE)

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

Sales Promotion magazine, in which the Institute has a majority stake, has been relaunched. The look, feel and content is now firmly in tune with the needs of the industry. It too has now changed its name to Promotional Marketing to better reflect the activities of its readership. The magazine, in conjunction with the IPM, has also launched a number of brand extensions over the last 12 months. 'The Cogs', an annual award scheme honouring the crucial role played by suppliers in the success of promotions, was exceptionally well received. A one-day conference programme was also launched starting with Mobile in March and Social Media in October.

At the end of 2009, the Institute launched a new research/insight service, with the appointment of Colin Harper as Director of Insight who has now forged a valuable relationship with the University of Westminster, and with the OFT on the subject of bait-pricing. We also moved premises to the West End of London, contemporary premises that better reflect the image of the modern-day Institute.

The last four years has seen more change than ever before at the IPM, change driven by Chairman Clive Mishon, with the support of the Board and the IPM Team. His enthusiasm, and commitment to 'get things done' has been rarely matched and the IPM is in much better shape as a result of his efforts. Clive now stands down as Chairman and I am very honoured to have been elected as his successor. Promotional marketing is all about engagement, with the added benefit of accountability and I want to support all our members to capitalise on this opportunity to prove our strategic value as well as our tactical capabilities.

Never complacent, we still have some way to go; but the following activities and initiatives will give you an outline of where we have got to and where we intend to go on your behalf, in the future.

UK Issues

- The subjects of promoting to children and alcohol promotions continue to be high on the agenda as does, as of recently, behaviour change.

With the new coalition government now in power, marketing to children is moving higher up the agenda. The IPM is working with other trade bodies to provide evidence defending promotional marketing against the criticisms being leveled at it. The IPM has also been fully supportive of the Advertising Association's 'CHECK' initiative which provides information on best practice marketing to children.

Alcohol promotion continues to come under scrutiny. The Health Select Committee summoned a number of drinks promoters and their agencies to give evidence about their activities. The Institute, alongside the Advertising Association, will continue to work on the industry's behalf to fight an outright ban on alcohol-related promotions.

The government's focus on social media - marketing communications aimed at changing citizen's behaviour for the good of society - is of considerable interest to the IPM as behaviour change marketing is what we are all about. We will be seeking ways to engage with the government, the Third Sector, and industry on best practice in this area.

- The Institute has taken a lead role in a review of the CAP Code which came into force in September 2010. The new CAP Code, while not significantly different from the previous version in terms of rules, takes a much harder line on the interpretation of the rules. The introduction of the new Code will be followed on March 1st, 2011 by a fundamental extension of the ASA's remit which will give it the power to apply the code to companies' own websites. Since we believe that digital media are the 'media of choice' for promotions, this is an area where we have greatly influenced the outcome. This is a particularly important initiative given the number of online-related consumer complaints received by the Institute's Compliance department.

THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED (LIMITED BY GUARANTEE) DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

Europe

- The EU Directive on Unfair Commercial Practices. We now have three decisions from the European Court of Justice which have made it clear that promotional marketing schemes are subject to the Directive and national laws which go further than the requirements of the Directive are invalid. Whilst it may take some time for the clear impact of these decisions to work its way through, we cannot see that, in most cases, national authorities will attempt to enforce national legislative restrictions on promotional marketing which go further than the terms of the Directive because promoters would obviously have a clear defence.

We do feel, however, that some countries may resist the effect of these decisions, and if they did, it would be necessary for the relevant case to be referred to the European Court of Justice. Further advice on running promotions, whether in Northern Ireland and the rest of the UK, or in relation to other European countries, is available from the IPM's Legal Advisory Service.

- The Institute continues to lobby in Brussels, at Westminster and through its direct links with BIS (formerly BERR) and the AA. It also works closely with the Federation of European Direct Marketing (FEDMA) in lobbying at the EU Parliament. The Institute is also a member of the Promotional Marketing Council of the European Association of Communications Agencies (EACA).

Education

Education continues to be a major driver on the Institute's agenda. Chris Bestley, our Director of Education, has noticeably strengthened the current programme both in terms of content and new tutors and, over the last couple of years, has added new courses including:

1. The Certificate in Experiential Marketing
2. The Certificate in Digital Promotions (backed by New Media Age and the Internet Advertising Bureau UK)
3. Introduction to Shopper Marketing
4. Fundamentals in Motivation.

To compliment the more mechanics-driven courses, the Institute has also launched a series of soft skills courses including 1-day sessions on procurement, pitching, briefing and negotiation. Further courses are planned for 2011.

Existing courses:

- Diploma in Promotional Marketing remains the definitive foundation course in promotional marketing. To ensure we provide the very best and most useful content to delegates, each module has undergone the most thorough review in the Diploma's history.

We also introduced a second intake for the Diploma, with the course commencing in September each year.

- The Motivation Diploma, now in its seventh year, continues to attract a healthy number of students. A new one-day course, Fundamentals in Motivation, launches in 2011 and offers an intensive introduction to the motivation industry.

- In-house training: There is increasing use being made by agencies and promoters of this in-house facility, particularly in light of promotional marketing practices being passed over to brand management.

- The Measuring Promotional Effectiveness course goes from strength to strength and is now running three times a year.

Institute members benefit, of course, from significant savings on the above courses.

THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED (LIMITED BY GUARANTEE) DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

Awards

Following on from the success of last year, the 2010 Awards benefited from further improvement in all areas.

Judging: more emphasis was placed on creativity and effectiveness. The final judging panel was also changed and is now made up of esteemed brand owner marketing directors mixed with leading figures from the agency and service partner sectors. The judging process, from shortlist to final judging stage, was also refined.

In spite of the recession, entries levels were consistent with last year but over 130 more people. A large number of winners also went on to win European IMC Awards and MAAW Globe Awards. A presentation ceremony was held in November at ITV Studios, sponsored by ITV.

Legal Advisory Service

- The Legal Advisory Service (LAS) continues to grow in stature, and in usage, and is the area in which we achieve unparalleled positive feedback. This is becoming an ever more important service, particularly in the area of digital promotions. We have also seen how failure to comply can result in damage to the reputations of brands.

To protect and reassure the consumer, and to promote responsible marketing, in May 2009, the Institute launched a brand new initiative called the Seal. This was the first major consumer-facing initiative we have undertaken and, and such, is of major importance to the Institute, to its members, and to the industry at large.

Any promotion, in its entirety, that passes the rigorous guidelines laid down by the Institute's Legal Advisory Team, is awarded the Seal. The promoter may then include the Seal logo on-pack, on point-of-sale material, in ads, on DM material and online as a reassurance to the consumer that the promotion is legal, decent, honest and truthful, and hence safe to participate in. In other words, it does what it says on the tin. The Seal has been applauded by the industry, and by other associations such as ISBA and the ASA, and around 150 campaigns have already been granted usage. The Seal comes as part of the LAS package with no extra costs.

Significant savings on LAS usages are, of course, in place for Institute members.

- The Institute has added to its legal support by offering advice on areas such as corporate finance, commercial property, employment law and commercial litigation. Members are now able to access this advice, at very preferential rates, through our exclusive alliance with leading law firm Lewis Silkin.

- The Institute also offers legal advice on international promotions through Phillip Circus, our Director of Legal Affairs.

Research and Insights

- The Institute has linked up with Colin Harper, a leading researcher in the field of marketing, to provide much needed data and insights in to promotional effectiveness. The first ever value of the promotions market was established, with estimates of over £36 billion. Two White Papers have already been published with a further three scheduled for 2011. Seminars accompany each White Paper and, to date, have been particularly well attended by brand owners.

- For the first time in history, and after lengthy discussions, the Advertising Associations Attitudes to Advertising Survey included questions on Attitudes to Promotions. The results showed that two-thirds of UK consumers say they welcome promotions because they ease the pressure on their finances and encourage them to try new products.

THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED (LIMITED BY GUARANTEE) DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

IPM Generation

The Institute recently established a new group, called Generation. 12 'young' industry representatives now meet on a regular basis to discuss ways in which the Institute can better engage the younger end of the promotions market. One of their first initiatives has been the introduction of a new award, called 'The One to Watch', recognizing exemplary contribution of a young person to a particular campaign/campaigns. Further initiatives will be rolled out in 2011.

Joint Partnership Initiatives

- A closer working relationship has been forged with the DMA, ISBA and the IAB with reciprocal member benefits being extended.

- The Institute's Coupon Committee actively confronted the retail industry on the problems of coupon mis-redemption and fraud. There has been significant press coverage both in the nationals and the trades and, following intense lobbying, the major retailers have now changed their coupon policies in an attempt to eradicate mis- and mal-redemption.

- A service, called the Survival Kit, was launched over a year ago. The Institute put together a small group of well-established and respected experts in fields ranging from specialist financial support and advice, leadership and team coaching, outplacement and career transition programmes through to TUPE transfers, debt recovery, corporate finance and litigation. Each expert has a wealth of experience in one or more of the above areas and, what's more, is offering privilege rates to Institute members.

Industry Representation

The Institute continues to play an active role in:

- Europe via EACA, FEDMA, lobbying in Brussels and at Westminster;
- Industry Bodies and Trade associations e.g. AA, ASA, ASBOF, CAP, ISBA, IPA, IAB, DMA, BCSC, POPAI, PROMOTA and BPMA;
- Industry exhibitions, the CBI and the Parliamentary Debating Group.

Promotion Marketing Magazine (formerly Sales Promotion Magazine).

Under the stewardship of Publisher Matt Sullivan, and Editor Martin Croft, Promotional Marketing magazine has been given a vital facelift, in terms of both design and content, and a new name. The editorial product - informative, analytical and challenging in nature -, and the name, are now far more in tune with the information needs and activities of the promotions market. The website has also been redesigned and has improved in content and functionality with the addition of a more powerful search facility and crucial jobs site.

A series of brand extensions have been launched in to the market, including one-day conferences and Awards.

Member Involvement/Events

Member involvement is critical to the future success of the Institute, particularly at a time when it seeks to extend its services to the industry and make people and organizations from all marketing disciplines recognize that promotions are part of what they do.

As a result, 2010 has seen more opportunities for Members and Non-Members to engage with both the Institute and with each other through Chairman's lunches and dinners, roundtables, and through more social networking events - sporting tournaments, quizzes, and further activities up and down the country.

THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED (LIMITED BY GUARANTEE) DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2010

Summary

Challenging times call for brave and innovative measures. Such times have traditionally presented opportunities for the promotions industry. The Institute has made great strides in making itself more relevant to practitioners and brands who have yet to recognise that promotions permeate the content of their communications across all media (a 'rose' by any other name).

We still have some way to go, but with the initiatives that we are taking, and through the hard work of the Board and the Institute's Team, I am confident that we are making the changes to take advantage of the opportunities that are ahead and by its change of name to further position the Institute of Promotional Marketing as the organization that provides added-value and confidence to businesses that promote.

Directors

The following directors have held office since 1 October 2009:

Bob Suppiah (Chairman)

Clive Mishon (Past Chairman)

Peter Kerr

Stephen Bentley

Steve McEwen

(Resigned 1 January 2010)

Becky Munday

Helen Joubert

Cindy Roper

Paul Godwin

Ian Moore

Susan Speller

John Sylvester

Graham Temple

Samuel Blunt

James Williams

Nicola Thompson

Auditors

In accordance with the company's articles, a resolution proposing that Beavis Morgan Audit Limited be reappointed as auditors of the company will be put at a General Meeting.

**THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED
(LIMITED BY GUARANTEE)
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 30 SEPTEMBER 2010

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

Bob Suppiah (Chairman)

Chairman

26 January 2011

**THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED
(LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED

We have audited the financial statements of The Institute of Promotional Marketing Limited for the year ended 30 September 2010 set out on pages 10 to 17. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 7, 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

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED
(LIMITED BY GUARANTEE)
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

TO THE MEMBERS OF THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED

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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

Matthew Burge (Senior Statutory Auditor)
For and on behalf of Beavis Morgan Audit Limited

26 January 2011

Chartered Accountants
Statutory Auditor

82 St John Street
London
EC1M 4JN

THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED
(LIMITED BY GUARANTEE)
PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

	Notes	2010 £	2009 £
Turnover		1,042,279	962,195
Cost of sales		(461,882)	(406,410)
Gross profit		580,397	555,785
Administrative expenses		(560,771)	(507,138)
Other operating income		3,885	26,116
Operating profit	2	23,511	74,763
Other interest receivable and similar income	3	26	1,266
Profit on ordinary activities before taxation		23,537	76,029
Tax on profit on ordinary activities		(5)	(266)
Profit for the year	9	23,532	75,763

**THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED
(LIMITED BY GUARANTEE)
BALANCE SHEET**

AS AT 30 SEPTEMBER 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Tangible assets	4		24,166		4,496
Investments	5		51		51
			<u>24,217</u>		<u>4,547</u>
Current assets					
Debtors	6	257,567		226,982	
Cash at bank and in hand		227,995		245,212	
		<u>485,562</u>		<u>472,194</u>	
Creditors: amounts falling due within one year	7	<u>(375,265)</u>		<u>(365,759)</u>	
Net current assets			<u>110,297</u>		<u>106,435</u>
Total assets less current liabilities			<u>134,514</u>		<u>110,982</u>
Capital and reserves					
Profit and loss account	9		<u>134,514</u>		<u>110,982</u>
Shareholders' funds			<u>134,514</u>		<u>110,982</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 26 January 2011

Bob Suppiah (Chairman)
Chairman

Company Registration No. 00975635

**THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors report on page 1.

The company has considerable financial resources. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

1.2 Turnover

Turnover represents amounts receivable for memberships and events net of VAT. Membership income is recognised and deferred over the period of the membership and other income is recognised in the period that the event takes place.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	33% straight line
Fixtures and fittings	20% straight line

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.6 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 398 of the Companies Act 2006 not to prepare group accounts.

2 Operating profit	2010	2009
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	7,375	8,750
Auditors' remuneration	7,000	6,960
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2009: £Nil).

THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2010

3 Investment income	2010	2009	
	£	£	
Bank interest	26	1,266	
	<u>26</u>	<u>1,266</u>	
	<u><u>26</u></u>	<u><u>1,266</u></u>	
4 Tangible fixed assets	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 October 2009	-	65,067	65,067
Additions	7,663	19,491	27,154
Disposals	-	(54,083)	(54,083)
	<u>7,663</u>	<u>30,475</u>	<u>38,138</u>
At 30 September 2010	7,663	30,475	38,138
	<u>7,663</u>	<u>30,475</u>	<u>38,138</u>
Depreciation			
At 1 October 2009	-	60,571	60,571
On disposals	-	(53,974)	(53,974)
Charge for the year	1,686	5,689	7,375
	<u>1,686</u>	<u>12,286</u>	<u>13,972</u>
At 30 September 2010	1,686	12,286	13,972
	<u>1,686</u>	<u>12,286</u>	<u>13,972</u>
Net book value			
At 30 September 2010	5,977	18,189	24,166
	<u>5,977</u>	<u>18,189</u>	<u>24,166</u>
At 30 September 2009	-	4,496	4,496
	<u>-</u>	<u>4,496</u>	<u>4,496</u>
	<u><u>-</u></u>	<u><u>4,496</u></u>	<u><u>4,496</u></u>

**THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

5 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 October 2009 & at 30 September 2010	51
Net book value	
At 30 September 2010	51
At 30 September 2009	51

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Sales Promotion Publishing Limited	UK	Ordinary	51.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2010 £	Profit/(loss) for the year 2010 £
	Principal activity		
Sales Promotion Publishing Limited	Magazine Publishing	17,835	17,233

**THE INSTITUTE OF PROMOTIONAL MARKETING LIMITED
(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

6 Debtors	2010	2009
	£	£
Trade debtors	105,683	92,334
Amounts owed by group undertakings	43,704	52,450
Other debtors	108,180	82,198
	<u>257,567</u>	<u>226,982</u>

Debtors include an amount of £23,486 (2009 - £18,653) which is due after more than one year.

7 Creditors: amounts falling due within one year	2010	2009
	£	£
Trade creditors	41,478	70,475
Taxation and social security	15,736	20,044
Other creditors	318,051	275,240
	<u>375,265</u>	<u>365,759</u>

Other creditors includes deferred income of £282,442 (2009 : £255,261).

8 Pension costs

Defined contribution

	2010	2009
	£	£
Contributions payable by the company for the year	<u>1,557</u>	<u>755</u>

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(LIMITED BY GUARANTEE)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

9 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2009	110,982
Profit for the year	23,532
	<hr/>
Balance at 30 September 2010	134,514
	<hr/> <hr/>

10 Financial commitments

At 30 September 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2011:

	2010 £	2009 £
Operating leases which expire:		
Within one year	9,447	27,500
Between two and five years	52,000	9,447
	<hr/>	<hr/>
	61,447	36,947
	<hr/> <hr/>	<hr/> <hr/>

11 Related party transactions

The company's transactions during the period under review included the following:

Name of related party	Nature of related party	Transaction type	Transaction value	Debtor/(creditor) balance as at 30 September 2010 (£)
Sales Promotion Publishing Limited	Subsidiary	Expense Recharges	86,428	
		Intercompany balance		43,704

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

12 Liability of members

Every Corporate Member of the Institute undertakes to contribute to the assets of the Institute, in the event of it being wound up while he is a Corporate Member or within one year afterwards, for payment of the debts and liabilities of the Institute contracted before he ceased to be a Corporate Member, and the costs charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, as additional amount (after payment of the Corporate Member's outstanding liabilities to the Institute) as may be required. Such amount not to exceed the current annual membership subscription as it applies to that Corporate Member.

The liability of every Personal Member in the event of the Institute being wound up or dissolved is limited to the settlement in full of any Personal Membership subscription and other fees or dues outstanding on the date that a Winding Up Petition or other Statutory Instrument is granted by an appropriate Court.