



DMA Annual Report 2011



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Directors and officers

DIRECTORS



Amanda Merron
Anthony John Kane
Christopher Porte Combemale
Fedelma Good
Malcolm Green
William Gilbert
Julia Porter
Shaun Bailey
Scott Morrison Logie

SECRETARY

James Milligan

REGISTERED OFFICE

DMA House
70 Margaret Street
London W1W 8SS

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

Chairman's report



Where does direct marketing sit in today's complex media landscape? It used to be straightforward to define direct marketing as anything that promotes a product or service direct to the customer on a one-to-one basis. But as the line between above the line and below the line activity becomes increasingly blurred, direct marketing has moved beyond its traditional boundaries and is more visible than ever.

Walk past a billboard today and you'll see it is doing much more than broadcasting a brand advertising message to passers-by, it's interacting with them. QR codes and mobiles have revolutionised how we interact with brands. We can point our mobile at a poster and enter a one-to-one conversation with a brand. It's a dynamic call to action that elicits an instant response, helps marketers measure the response of an ad and captures that all-important data.

Data sits at the heart of this conversation, and I'm not just saying this because I come from a data background. Technological advances and sophisticated data tools are also driving more channel integration. The value of 'through the line' campaigns has been illustrated in a raft of research including the DMA's 'Response TV' project developed in conjunction with ITV, as well as DMA award-winning campaigns from the likes of the RNLI and Nokia which combine the power of social, direct mail and even cinema. Having ITV's group marketing and research director Julia Porter, join the DMA board this May is just another indicator of the changing face of direct marketing.

With this as our backdrop, the DMA has continued to deliver on its long-term strategic objectives. In a time of increasingly difficult economic circumstances, the DMA has taken the necessary steps to live within our means as well as ensuring we set the foundations in place to maximise the opportunities presented by the changing marketing landscape. In particular, ensuring that we are relevant to the direct marketer of today, whatever their discipline, and growing our membership in line with the increase in direct-based activity.

In June, we unveiled our new vision and values together

with branding which reflects both the changes within the direct marketing industry and the DMA. As part of the rebrand, we replaced our 'star burst' logo with one that symbolises today's conversation-led approach and encapsulates our values – to be genuine, in-touch, inspiring and helpful.

We also wanted the branding to reflect the growing importance of digital in direct marketing. Developments in mobile and social media have meant that marketers are able to take those one-to-one 'conversations' with customers to a whole new level. There is also an element of practising what we preach in the rebrand. The development of a new DMA website has created a truly interactive and personalised experience. Website visitors can share knowledge and voice opinions through the website and social networks and engage in that direct 'conversation' which is taking place across a myriad of platforms and media.

Direct marketing doesn't operate in a vacuum, which is why the DMA's vision for the coming years centres on identifying and acting on key innovations and trends to drive growth, creating and championing a vibrant future for all of our members.

Scott Logie,
DMA Chairman

22 September 2011

DMA Activities

Executive Director's Report



It's been a busy year at the DMA, with lots of activity in London and in the regions. The most visible sign is our rebrand, complete with new logo, member seal and redesigned website. What's been happening beneath the surface is even more exciting.

As the UK's largest direct marketing trade association, we influence government on behalf of our members, keep them up to date with new legislation and help them take advantage of the latest trends and technologies in the industry.

To stay at the forefront of the industry, we have to keep evolving and growing. That's why in autumn 2010 we launched the Social Media Council, bringing the grand total of DMA Councils to 12.

Our councils are brimming with expertise, which we want to flow freely across all direct marketing channels, so we're encouraging more collaboration. DMA Councils are increasingly reaching across the channel divide to share knowledge and pursue shared goals.

This year saw the Mobile Marketing Council join forces with the Contact Centres and Telemarketing Council to tackle the issue of SMS spam and automated messaging. The working groups held meetings with key players, including the regulators and mobile networks. Meanwhile, the Door Drop Council and Inserts Council are working on a research project on how effective their mediums are at driving online sales.

Much of today's direct marketing is about integration. Everywhere you look you'll find inspiring, multichannel campaigns. The Grand Prix winner at the 2010 DMA Awards was Archibald Ingall Stretton's campaign for O2 which incorporated digital, PR sponsorship and event management.

That's why the Agency Council organised the inaugural Go Integrated! seminar in February. The recurring themes at this day-long event were targeting, complementing channels, as well as being relevant and transparent in all your communications. Our line-up included ITV's Gary

Knight and Lee Bailey from Guinness. We're already gearing up for the next event in February 2012, which I'm sure will be another runaway success.

At the start of 2011, many of our members were preoccupied with data protection issues, as they braced themselves for tighter legislation and the introduction of the Cookies law in May 2011. The Information Commissioner, Christopher Graham, and Ministry of Justice, Lord McNally updated delegates on the changes at our annual Data Protection Conference in March. We followed this up with a series of 'how to' seminars up and down the country, where we gave our members practical advice on what they needed to do in preparation for the new cookies legislation.

As consumers demand more control over their data, it's up to us as marketers to do everything in our power to create a more equal relationship with them. Transparency is the key, as is putting control back in the individual's hands. At our data conference, Mydex presented the results of the first live trials of a personal data store, which saw participation from government, industry and consumers. We'll continue to track innovation and report to members.

This year also saw the development of a number of products to help our members achieve better business, including a VAT Helpdesk to clear up confusion surrounding VAT for printed material, and the Social Media Helpdesk, the first of its kind in the world. And, there's a lot more in the pipeline. You can be sure of even more resources, more communication and more collaboration across all channels.

Chris Combemale
DMA Executive Director

22 September 2011

Report of the board

The board presents its report and the financial statements of The Direct Marketing Association (UK) Limited for the year ended 31 March 2011.

PRINCIPAL ACTIVITIES

The company is the principal trade association for companies and organisations involved in the direct marketing industry in the United Kingdom.

REVIEW OF THE BUSINESS

The company is a not-for-profit organisation. The directors are satisfied with the results for the year.

SHARE CAPITAL

The company is limited by guarantee without share capital.

DIRECTORS

The following directors have held office since 1 April 2010:

Amanda Merron	
Anthony John Kane	
Christopher Porte Combemale	
David Allan Metcalfe	(resigned 1 January 2011)
Fedelma Good	
William Gilbert	(appointed 18 November 2010)
Julia Porter	(appointed 19 May 2011)
Shaun Bailey	(appointed 19 May 2011)
Gillian Lyall	(resigned 1 January 2011)
Janette Anne Morris	(resigned 1 January 2011)
Malcolm George Black	(resigned 1 January 2011)
Malcolm Green	
Scott Morrison Logie	

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

A resolution to re-appoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditor will be put to the members at the Annual General Meeting.

SMALL COMPANIES PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board



Scott Logie
DMA Chairman

22 September 2011

Board's responsibilities in the preparation of financial statements

The directors are responsible for preparing the Report of the Board 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgments and accounting estimates that are reasonable and prudent;
- c. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Direct Marketing Association (UK) Limited website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of the Direct Marketing Association (UK) Ltd

We have audited the financial statements on pages 8 to 15. 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 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's 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 more fully explained in the Boards' Responsibilities Statement set out on page 6, 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 and express an opinion on 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 (APB'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 website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its surplus 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 board 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the board.



DAVID BLACHER (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London WC2B 6TD

22 September 2011

Income and expenditure account

for the year ended 31 March 2011

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	Notes	2011 £	2010 £
TURNOVER	1	2,503,302	2,593,892
Cost of sales		<u>(443,008)</u>	<u>(464,144)</u>
Gross income		2,060,294	2,129,748
Administration expenses		<u>(2,061,981)</u>	<u>(2,122,850)</u>
OPERATING (DEFICIT)/SURPLUS		(1,687)	6,898
Investment income	2	449,928	601,766
Interest payable		<u>-</u>	<u>(87)</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	448,241	608,577
Taxation	4	<u>(18,629)</u>	<u>(12,668)</u>
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION	13	<u><u>429,612</u></u>	<u><u>595,909</u></u>

The operating surplus for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Income and Expenditure Account.

Balance sheet

31 March 2011

Company registration no. 2667995

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	6	154,116	156,518
Investments	7	1,002	1,002
		<u>155,118</u>	<u>157,520</u>
CURRENT ASSETS			
Debtors	8	1,236,500	1,291,544
Cash at bank and in hand		1,538,733	1,445,939
		<u>2,775,233</u>	<u>2,737,483</u>
CREDITORS: Amounts falling due within one year	9	<u>(1,528,927)</u>	<u>(1,933,028)</u>
NET CURRENT ASSETS		1,246,306	804,455
CREDITORS: Amounts falling due after one year	10	(29,900)	(29,900)
PROVISIONS FOR LIABILITIES	11	<u>(9,837)</u>	<u>-</u>
NET ASSETS		<u><u>1,361,687</u></u>	<u><u>932,075</u></u>
RESERVES			
Accumulated reserves	13	<u>1,361,687</u>	<u>932,075</u>
MEMBERS' FUNDS			
	13	<u>1,361,687</u>	<u>932,075</u>

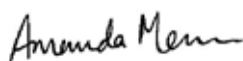
The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 8 to 15 were approved by the board of directors and authorised for issue on 22 September 2011

and are signed on its behalf by:



S Logie
Chairman



A Merron
Hon Treasurer

Accounting policies

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Fixtures and fittings	15-25% straight line
Computer equipment	25% straight line

INVESTMENTS

Participating interests are stated at cost in the company balance sheet.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

TURNOVER

Turnover comprises the total amount receivable by the company in the ordinary course of business for subscriptions, goods supplied and services provided, exclusive of value added tax. Subscriptions are credited to the income and expenditure account according to the proportion of each member's subscription year falling within the company's accounting period.

Notes to the financial statements

for the year ended 31 March 2011

4 TAXATION (continued)

Factors affecting tax charge for the period:

	2011	2010
	£	£

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (28%). The differences are explained below:

Surplus on ordinary activities before taxation	448,241	608,577
Surplus on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK 28% (2010: 28%)	125,507	170,402
Effects of:		
Expenses not deductible for tax purposes	4,200	4,764
Income not taxable	(123,200)	(168,000)
Capital allowances for period lower than depreciation	(5,974)	(16,964)
Tax losses not utilised	-	11,384
Marginal rate relief	(13)	(5,196)
Losses surrendered for group relief	(482)	3,610
Tax charge for period	38	-

5 EMPLOYEES

	2011	2010
	No.	No.
The average monthly number of persons employed during the year was:-	43	45

	2011	2010
	£	£
Staff costs for the above persons:		
Wages and salaries	1,548,802	1,604,499
Social security costs	162,003	174,886
Pension contributions	10,863	18,701
	1,721,668	1,798,086

The above amounts include the cost of staff recharged to subsidiary companies of £386,653 (2010: £355,741).

DIRECTORS REMUNERATION

	2011	2010
	£	£
Emoluments	-	4,500
Sums paid to third parties for directors' services	84,500	71,500
	84,500	76,000

Notes to the financial statements

for the year ended 31 March 2011

6 TANGIBLE FIXED ASSETS	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation			
1 April 2010	179,784	86,333	266,117
Additions	<u>16,672</u>	<u>27,670</u>	<u>44,342</u>
31 March 2011	<u>196,456</u>	<u>114,003</u>	<u>310,459</u>
Depreciation			
1 April 2010	32,244	77,355	109,599
Charged in the year	<u>35,205</u>	<u>11,541</u>	<u>46,746</u>
31 March 2011	<u>67,449</u>	<u>88,896</u>	<u>156,345</u>
Net book value			
31 March 2011	<u>129,007</u>	<u>25,107</u>	<u>154,114</u>
31 March 2010	<u>147,540</u>	<u>8,978</u>	<u>156,518</u>

7 INVESTMENTS	£		
Cost			
At 1 April 2010 and 31 March 2011			<u>1,002</u>
Company	Country of Incorporation	% shareholding	Activity
The Telephone Preference Service Limited	England and Wales	100	Telephone and fax opt out service
NSF Limited	<u>England and Wales</u>	<u>100</u>	<u>Data suppression service</u>

During its latest financial year ended 30 April 2011, The Telephone Preference Service Limited made a loss before tax of £189,674 following a profit before tax in the previous year of £14,710. At 30 April 2011 the aggregate surplus of capital and reserves was £1,519,448 (2010: £2,149,122). The Telephone Preference Service Limited has adopted a different accounting reference date due to the term of the contract with OFCOM which constitutes the trade of that company.

During the year ended 31 March 2011, NSF Limited made a profit before tax of £Nil (2010: £Nil). At the end of that period the aggregate surplus of capital and reserves was £32,417 (2010: £32,417).

The trading results of both companies were broadly in line with expectations.

Notes to the financial statements

for the year ended 31 March 2011

8	DEBTORS	2011 £	2010 £
	Due within one year:		
	Trade debtors	440,294	599,898
	Amounts owed by group undertakings	163,378	15,315
	Other debtors	10,798	18,759
	Prepayments	172,030	202,476
		<u>786,500</u>	<u>836,448</u>
	Due after one year:		
	Other debtors	450,000	455,096
		<u>1,236,500</u>	<u>1,291,544</u>
	Included within other debtors is a deferred tax asset of £Nil (2010: £8,754). See note 11.		
9	CREDITORS: Amounts falling due within one year	2011 £	2010 £
	Trade creditors	158,390	246,176
	Subscriptions in advance	559,050	527,128
	Amounts owed to group undertakings	-	113,245
	Corporation tax	38	-
	Other taxation and social security	161,509	326,626
	Other creditors	23,670	52,982
	Accruals and deferred income	626,270	666,871
		<u>1,528,927</u>	<u>1,933,028</u>
10	CREDITORS: Amounts falling due after more than one year	2011 £	2010 £
	Rent Deposit	<u>29,900</u>	<u>29,900</u>
11	PROVISION FOR LIABILITIES	2011 £	2010 £
	Deferred taxation	<u>9,837</u>	<u>-</u>
	Accelerated capital allowances	(10,159)	(2,979)
	Trading losses carried forward	-	11,384
	Other timing differences	<u>322</u>	<u>349</u>
	(Liability)/asset	<u>(9,837)</u>	<u>8,754</u>
			£
	Balance at 1 April 2010		8,754
	Charge to the profit and loss		<u>(18,591)</u>
	Balance at 31 March 2011		<u>(9,837)</u>

Notes to the financial statements

for the year ended 31 March 2011

12 SHARE CAPITAL

The company is limited by guarantee without share capital.

13 MEMBERS' FUNDS

	2011 £	2010 £
1 April 2010	932,075	336,166
Surplus for the financial year	<u>429,612</u>	<u>595,909</u>
31 March 2011	<u><u>1,361,687</u></u>	<u><u>932,075</u></u>

14 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2011 the company had annual commitments under non-cancellable operating leases as follows:

	2011 £	2010 £
Office equipment expiring in the second to fifth year	3,876	18,092
Land and buildings expiring after five years	<u>375,000</u>	<u>375,000</u>
	<u><u>378,876</u></u>	<u><u>393,092</u></u>

15 RELATED PARTY TRANSACTIONS

During the year, the company received subscriptions of £35,462 (2010: £56,713) from companies with common directors. At the year end the balance owing was £Nil (2010: £ Nil).

During the year, the company charged The Telephone Preference Service Limited fees for management services and rent of £579,000 (2010: £911,000). The company also received a dividend of £440,000 during the year (2010: £600,000). At the year end the balance owed from The Telephone Preference Service Limited was £148,144 (2010: owed to £113,245).

During the year the company charged NSF Limited fees for management services of £12,777 (2010: £13,130). At the year end the balance owing from NSF Limited was £15,234 (2010: £15,315).

16 CONTINGENT LIABILITIES

The company has provided guarantees in respect of the performance obligations of NSF Limited up to an aggregate amount of £100,000.