

EAST MERCIA CHAMBER OF COMMERCE AND INDUSTRY

(Limited by Guarantee)

COMPANY REGISTRATION No. 36148

Report of the Council and Accounts for the year ended 31st March 2000

COUNCIL MEMBERS AND ADVISERS

President:
J. TAMBERLIN

Vice-President:
J. MURRAY



Council Members who have served:

D. S. FROST – *Chief Executive*

N. J. TENNANT – *Finance Director (Appointed 28th June 2000)*

Mrs. S. P. ARNOLD (Appointed 26th April 1999)

R. C. CRANE

J. N. PUNCH, F.R.I.C.S.

J. D. BAKER, J.P., F.C.A.

R. F. CRUNDWELL

J. R. C. SAYERS
(Resigned 1st July 1999)

Mrs. S. J. BLACK (Resigned 24th May 1999)

T. D. HUTCHINSON (Resigned 30th July 1999)

D. SCOTT

P. BRADFORD (Appointed 17th July 1999)

B. F. LOWE

M. A. SWALLOW
(Appointed 24th May 1999)

M. D. BROWN (Appointed 26th April 1999)

A. S. MINIFIE

D. L. CARVER

J. MURRAY

J. TAMBERLIN

R. W. CHATTAWAY (Resigned 26th April 1999)

C. F. PRITCHARD

A. C. WEDGWOOD

Advisers:

Auditors:

BDO STOY HAYWARD
Chartered Accountants
Walsall
WS1 1QX

Bankers:

HSBC BANK plc
The Bridge
Walsall
WS1 1LN

Solicitors:

HADENS
Leicester Buildings
Walsall
WS1 1EL

Solicitors:

OLDHAM RUST JOBSON
Queensville House
Stafford
ST17 4NL

Honorary Life Members:

Sir JAMES ACKERS

W. JONES

P. E. SANKEY

J. ANTILL, O.B.E.

B. F. LOWE

J. R. C. SAYERS

J. D. BAKER, J.P., F.C.A.

T. I. C. MCKENZIE

W. A. STEPHENS, J.P.

D. L. CARVER

J. T. OXLEY

J. TAMBERLIN

G. T. DAVIES

R. M. PRUGGMAYER

S. W. P. WHEWAY

S. A. S. ECCLESTON, J.P.

J. N. PUNCH, F.R.I.C.S.

LEON JESSEL, M.B.E., J.P.

P. C. SABAPATHY

Registered Office:

Chamber of Commerce House, Ward Street, Walsall WS1 2AG

Tel: 01922 721777 Fax: 01922 422322

EAST MERCIA CHAMBER OF COMMERCE AND INDUSTRY
(Limited by Guarantee)

Notice of Meeting

NOTICE IS HEREBY GIVEN that the one hundred and eighteenth Annual General Meeting will be held at Chamber of Commerce House, Ward Street, Walsall, on 6th October, 2000 at 12 noon precisely.

The Annual General Meeting will be followed by a Council Meeting for the election of Officers and other business, and this meeting will be open to all members.

Agenda

1. To receive apologies for absence.
2. To confirm the minutes of the Annual General Meeting held on 29th July, 1999.
3. To receive and adopt the Report and Accounts for the 12 months ended 31st March 2000.
4. To elect members of the Council. To consider the re-election of the following members:
 - J. N. Punch
 - P. Bradford
 - R. C. Crane
 - C. F. Pritchard
 - N. J. Tennant
 - A. C. Wedgwood
5. To elect Auditors and authorise the Council to fix their remuneration.
6. To transact any other business which may be transacted at an Annual General Meeting of the company.

N. J. Tennant
Secretary

Chamber of Commerce House
Ward Street
Walsall
WS1 2AG

EAST MERCIA CHAMBER OF COMMERCE AND INDUSTRY

(Limited by Guarantee)

Report of the Council

The Council submits its report and accounts for the year ended 31st March 2000.

Results

The surplus for the year, after taxation, amounted to £36,739 which has been taken to reserves.

Review of operations

The Chamber's principal activities during the year were to provide a service to members on any matter affecting trade and commerce, to disseminate information on export matters, to act as an issuing authority for certificates of origin and other export documents and to organise trade promotion activities, training and consultancy services.

We continue to operate in a period of uncertainty with the Chamber's future role in training and Business Link Services still unresolved. However, the Council believe there are opportunities in these areas.

Market value of land and buildings

The Council considers the market value of land and buildings to significantly exceed their net book value.

Year 2000 compliance

Following the action taken by the Directors, the year 2000 technology problem has had no significant impact on the operations of the business to date. The Directors will continue to monitor the situation throughout the coming year.

Share capital

The Chamber is a company limited by guarantee and does not have a share capital.

Directors

The Members of the Council are shown on page one and for the purpose of the Companies Act are deemed to be the Directors.

The directors who retire by rotation are:

P. Bradford, R. C. Crane, C. F. Pritchard, J. N. Punch, N. J. Tennant, A. C. Wedgwood.

Council's responsibility

The Council is required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the surplus or deficiency for that year. The Council is also required to prepare accounts on the going concern basis unless it is inappropriate to presume the company will continue in business.

In preparing the financial statements, appropriate accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made. Applicable accounting standards have been followed. The Council is responsible for maintaining adequate accounting records, for safeguarding the assets of the company, and for preventing and detecting fraud and other irregularities.

Auditors

BDO Stoy Hayward will be proposed for re-appointment in accordance with Section 385 of the Companies Act, 1985.

On behalf of the Council



N. J. Tennant
Secretary

Dated 28th June 2000

Chamber of Commerce House,
Ward Street, Walsall. WS1 2AG

EAST MERCIA CHAMBER OF COMMERCE AND INDUSTRY
(Limited by Guarantee)

Report of the Auditors

to the members of East Mercia Chamber of
Commerce and Industry

We have audited the financial statements on
pages 5 to 12 which have been prepared
under the historical cost convention and the
accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's
Council is responsible for the preparation of
financial statements. It is our responsibility
as auditors 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 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 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
misstatement, whether caused by fraud or
other irregularity or error. In forming our
opinion we also evaluated the overall
adequacy of the presentation of information
in the financial statements.

Opinion

In our opinion the financial statements give
a true and fair view of the state of the
company's affairs as at 31st March 2000 and
of its surplus for the year then ended and
have been properly prepared in accordance
with the provisions of the Companies Act
1985.

Dated 28th June 2000

BDOStey Hayward
BDO STOY HAYWARD

Chartered Accountants

Registered Auditors

Walsall

WS1 1QX

INCOME AND EXPENDITURE ACCOUNT for the year ended 31st March 2000

		2000	As restated 1999
Note		£	£
2.	INCOME	3,363,583	3,526,893
	Expenses recharged to members	(106,722)	(100,206)
		3,256,861	3,426,687
	Operating expenses	(3,277,135)	(3,600,194)
		(20,274)	(173,507)
3.	OPERATING DEFICIT		
	Rental income	45,080	44,331
	Income from investments	1,339	1,478
	Interest receivable	3,827	18,176
		29,972	(109,522)
	SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		
6.	TAXATION on ordinary activities	6,767	(44)
		36,739	(109,566)
	SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES AFTER TAXATION		
	RETAINED SURPLUS BROUGHT FORWARD	1,094,945	1,204,511
		1,131,684	1,094,945
17.	RETAINED SURPLUS CARRIED FORWARD		
	STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES		
	Surplus/(Deficit) for the year	36,739	(109,566)
		(79,397)	
7.	Prior year adjustment		
	Total gains and losses recognised since the last annual report	(42,658)	

All of the Company's operations are continuing.

The notes on pages 5 to 12 form part of these accounts

BALANCE SHEET – 31st March 2000

Note	2000		As restated 1999	
	£	£	£	£
8.	TANGIBLE FIXED ASSETS	720,630		731,704
9.	INVESTMENTS		1	13,149
	CURRENT ASSETS			
10.	Debtors: Amounts falling due within one year	831,281	764,451	
	Cash at bank in hand	325,437	251,693	
		1,156,718	1,016,144	
11.	CREDITORS: Amounts falling due within one year	(745,665)	(666,052)	
	NET CURRENT ASSETS	411,053	350,092	
	TOTAL NET ASSETS	1,131,684	1,094,945	
	CAPITAL AND RESERVES			
13.	Called up share capital	-	-	
	Accumulated surplus	1,131,684	1,094,945	
16.	MEMBERS' FUNDS	1,131,684	1,094,945	

The accounts on pages 5 to 12 were approved by the Council on 28th June 2000 and signed on its behalf by

J. TAMBERLIN, *President.*

D. S. FROST, *Chief Executive.*

N. J. TENNANT, *Finance Director.*

The block contains three handwritten signatures in black ink. The top signature is 'J. Tamberlin', the middle one is 'D. S. Frost', and the bottom one is 'Nick Tennant'.

CASH FLOW STATEMENT for the year ended 31st March 2000

	2000		1999	
	£	£	£	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		82,871		(32,767)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Rental income	45,080		44,331	
Income from investments	1,339		1,478	
Interest received	3,827		18,176	
		<u>50,246</u>		<u>63,985</u>
TAXATION				
Corporation tax repaid		7,526		1,341
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Payments to acquire tangible fixed assets	(116,118)		(260,928)	
Receipts from sales of tangible fixed assets	49,219		15,029	
		<u>(66,899)</u>		<u>(245,899)</u>
INCREASE/(DECREASE) IN CASH		<u>73,744</u>		<u>(213,340)</u>
RECONCILIATION OF OPERATING DEFICIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES				
Operating deficit		(20,274)		(173,507)
Depreciation charges		117,022		103,452
Increase in debtors		(67,589)		(174,472)
Decrease in creditors		79,613		221,525
Profit on sale of fixed assets		(25,901)		(9,765)
		<u>82,871</u>		<u>(32,767)</u>
ANALYSIS OF NET CASH				
Cash at bank and in hand	At 31st March 1999		251,693	
	Cash flow increase		73,744	
			<u>325,437</u>	
	At 31st March 2000		<u>325,437</u>	

NOTES TO THE ACCOUNTS – 31st March 2000

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the applicable Accounting Standards. The financial statements have been prepared under the historical cost convention and conform with the Companies Act 1985.

TANGIBLE ASSETS

Tangible fixed assets are stated at cost less amounts provided to write off assets over their useful economic life.

DEPRECIATION

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset evenly over their useful lives which are estimated as follows:

Short leasehold buildings	Over period of lease
Freehold buildings	50 years
Office equipment and furniture	5 years
Computer equipment	2-3 years
Motor vehicles	4 years

INVESTMENTS

Investments are stated at cost less provision for any permanent diminution in value. For listed investments, market value is based on the closing middle market price on a recognised stock exchange.

REPAIRS AND RENEWALS

Repairs and renewals are charged to revenue in the period in which the expenditure is incurred.

PENSIONS

The company operates a defined contribution pension scheme. Contributions payable for the period are charged in the income and expenditure account in the period in which they are incurred.

LEASES

Rentals payable under operating leases are charged to the income and expenditure account on the straight line basis over the lease term.

UK CORPORATION TAX

The taxation charge has been calculated on the basis that a proportion of the company's operating surplus has been derived from non-mutual activities.

DEFERRED TAXATION

Deferred taxation is provided for liabilities that may crystallise in the future, using the liability method.

2. INCOME

This represents the total amount receivable, excluding value added tax, for members' subscriptions and services provided for the issuing of certificates of origin and other forms, organising trade missions and the training operations.

Contributions to income from members' subscriptions and charges for services provided are as follows:

	2000	1999
	£	£
Members' subscriptions	301,996	284,587
Charges for services provided	3,061,587	3,242,306
	<u>3,363,583</u>	<u>3,526,893</u>

NOTES TO THE ACCOUNTS - 31st March 2000

	2000	As restated 1999
	£	£
Note		
3. OPERATING DEFICIT		
This is arrived at after charging (crediting):		
Depreciation	117,022	103,452
Auditors' remuneration	3,520	3,450
Operating lease rentals	118,769	168,589
Land and buildings		
Other	40,556	36,223
Profit on disposal of fixed assets	(25,901)	(9,765)
	<u>117,022</u>	<u>103,452</u>
4. STAFF COSTS		
Wages and salaries	1,698,192	1,623,980
Employer's National Insurance contributions	154,229	145,291
Other pension costs	24,685	27,331
	<u>1,877,106</u>	<u>1,796,602</u>
	No.	No.
The average number of employees during the period was made up as follows:		
Chamber	35	36
Training	80	80
	<u>115</u>	<u>116</u>
	£	£
Council members' emoluments		
Aggregate emoluments	104,414	111,029
Pension contributions paid by the company on behalf of Council members under the defined contribution scheme	12,043	14,782
	<u>116,457</u>	<u>125,811</u>
Only full-time executives on the Council received emoluments during the year.		
At 31st March 2000 one Council member (1999 - two members) were accruing benefits under the defined contribution scheme		
5. PENSION COSTS:		
The Chamber operates a funded defined contribution pension scheme.		
Pension cost charged to profit on ordinary activities	24,685	27,331
	<u>24,685</u>	<u>27,331</u>
6. TAXATION		
Over provision in previous year	(6,782)	-
Tax credits on UK dividends received	15	44
	<u>(6,767)</u>	<u>44</u>

NOTES TO THE ACCOUNTS – 31st March 2000

7. PRIOR YEAR ADJUSTMENT

The company has written off bad debts of £79,397 relating to previous years. This has reduced debtors at 31st March 2000 by £9,500, debtors at 31st March 1999 by £69,897 and reserves brought forward by £79,397.

8. TANGIBLE FIXED ASSETS

	Freehold/ Leasehold Land and Buildings £	Motor Vehicles Computer and Office Equipment and Furniture £	Total £
COST			
At 1st April, 1999	649,076	735,605	1,384,681
Additions	59,316	56,802	116,118
Disposals	–	(104,400)	(104,400)
At 31st March, 2000	708,392	688,007	1,396,399
LAND AND BUILDINGS COST COMPRISES:			
Land			11,064
Freehold property			697,328
			708,392
DEPRECIATION			
At 1st April, 1999	127,738	525,239	652,977
Provided for year	13,437	103,585	117,022
Disposals	–	(94,230)	(94,230)
At 31st March, 2000	141,175	534,594	675,769
NET BOOK VALUE at 31st March, 2000	567,217	153,413	720,630
NET BOOK VALUE at 31st March, 1999	521,338	210,366	731,704

9. INVESTMENTS AT COST

	2000 £	1999 £
Quoted investments	–	13,148
Unlisted investment	1	1
	1	13,149

The quoted investments had a market value at 31st March 2000 of £Nil (31st March 1999 - £21,255).

	As restated	
	2000 £	1999 £
10. DEBTORS: Amounts falling due within one year		
Trade debtors	775,356	710,201
Other debtors	3,041	16,270
Prepayments and accrued income	52,884	37,221
Corporation tax recoverable	–	759
	831,281	764,451

NOTES TO THE ACCOUNTS – 31st March 2000

	2000	1999
	£	£
11. CREDITORS: Amounts falling due within one year		
Trade creditors	115,455	139,622
Other taxes and social security costs	228,888	100,527
Accruals and deferred income	180,313	173,715
Other creditors	12,500	719
Subsidiary undertaking	208,509	251,469
	<u>745,665</u>	<u>666,052</u>

HSBC Bank plc has a mortgage on the freehold property at Ward Street, Walsall as security for any bank indebtedness.

12. DEFERRED TAXATION

This comprises the following:

Capital allowances in advance of depreciation	(1,804)	(1,804)
Capital gain arising on disposal of freehold property	1,804	1,804
	<u>-</u>	<u>-</u>

13. CALLED UP SHARE CAPITAL

The Chamber is a company limited by guarantee and does not have a Share Capital.

The members have a liability to contribute to the assets a maximum of

£1 each in the event of the company being wound up.

14. OPERATING LEASE COMMITMENTS

At 31st March 2000 the Chamber was committed to the following annual payments relating to operating leases:

Land and buildings:

Expiry within one year	3,550	16,500
Expiry between one and five years	36,000	11,585
Expiry over five years	26,500	52,940
	<u>66,050</u>	<u>81,025</u>

Office equipment and motor vehicles:

Expiry within one year	6,977	-
Expiry between one and five years	45,113	32,077
	<u>52,090</u>	<u>32,077</u>

15. CAPITAL COMMITMENTS

At the year end the Chamber had contracted for capital expenditure of £Nil (1999 £50,067).

16. CONTINGENT LIABILITY

VALUE ADDED TAX

The Chamber is presently negotiating its method of allocating recoverable input tax with HM Customs and Excise. Whilst the outcome of these negotiations is impossible to predict with absolute certainty, the Council is of the opinion that no significant additional liability should arise.

NOTES TO THE ACCOUNTS – 31st March 2000

17. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2000		As restated 1999	
	£	£	£	£
Surplus/(deficit) for the financial year		36,739		(109,566)
Opening Members' Funds				
– As originally stated	1,131,580		1,247,273	
– Prior year adjustment (note 7)	(36,635)		(42,762)	
– As restated		1,094,945		1,204,511
Closing Members' Funds		1,131,684		1,094,945

18. SUBSIDIARY UNDERTAKINGS

The Walsall Chamber of Commerce Engineering Centre Limited, a registered charity, incorporated and registered in England, is a subsidiary undertaking of East Mercia Chamber of Commerce and Industry Limited by virtue of the control and influence exerted over the company.

The last audited financial statements up to 31st March 2000 disclose:-

	31st March 2000	31st March 1999
	£	£
Reserves	208,959	257,496
Loss for the year	(48,537)	(87,812)

Under Section 248 of the Companies Act 1985 the company is exempt from the requirement to prepare group accounts.

The accounts contain information about the company as an individual undertaking and not about its group.

19. RELATED PARTY TRANSACTIONS

The following transactions have taken place:

- During the year D. L. Carver was a director of Walsall Training and Enterprise Council Limited and the Chamber purchased £132,901 (1999 – £13,871) and sold £1,365,182 (1999 – £1,038,354) worth of services. At 31st March 2000 there were outstanding balances receivable of £233,391 (1999 – £131,842).
- During the year J. D. Baker, D. S. Frost, B. F. Lowe, J. Tamberlin, J. Murray and J. N. Punch were directors of Walsall Chamber of Commerce Engineering Centre Limited from which the company purchased £276,485 (1999 – £399,803) worth of services. The Chamber recharged costs of £178,445 (1999 – £246,485), as well as charging rentals of £41,000 (1999 – £40,000) and a management charge of £100,000 (1999 – £200,000). At 31st March 2000 there was an outstanding balance payable of £208,509 (1999 – £251,469).
- During the year D. S. Frost, J. R. C. Sayers, Dr. R. F. Crundwell and B. F. Lowe were directors of British Business Parks Limited a company limited by guarantee. The Chamber sold £125,820 (1999 – £82,032) worth of services to British Business Parks Limited. At 31st March 2000 there were outstanding balances receivable of £38,745 (1999 – £39,691) with British Business Parks Limited.