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EMCCI LIMITED  
REGISTERED NUMBER 36148  
ACCOUNTS  
31 MARCH 2002

  
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COMPANIES HOUSE 0891  
28/02/03

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EMCCI LIMITED

COMPANY INFORMATION

REGISTERED OFFICE

Ridings House  
Ridings Park  
Eastern Way  
Hawks Green  
Cannock  
Staffordshire  
WS11 2FJ

AUDITORS

BDO Stoy Hayward  
Chartered Accountants  
Tameway Tower  
Bridge Street  
Walsall  
WS1 1QX

BANKERS

HSBC Bank plc  
The Bridge  
Walsall  
WS1 1LN

SOLICITORS

Oldham Rust Jobson  
Queensville House  
Stafford  
ST17 4NL

## REPORT OF THE COUNCIL

The Council submits its report and accounts for the year ended 31 March 2002.

## COUNCIL'S RESPONSIBILITIES

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.

In preparing those financial statements the directors 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 company will continue in business.

## RESULTS

The surplus for the year, after taxation, amounted to £24,718 which has been deducted from reserves.

## REVIEW OF OPERATIONS

The company's principal activities during the year were to give advice on matters 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.

The directors are satisfied with the surplus for the year and the company's position at the year end.

## MARKET VALUE OF LAND AND BUILDINGS

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

## SHARE CAPITAL

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

## DIRECTORS

The members and nominated directors of the Council are:

Southern Staffordshire Chamber of Commerce and Industry Limited (the Southern Staffordshire Member) comprising:

M Adcock (appointed 2 October 2001)  
Mrs S P Arnold  
J Black (appointed 24 July 2002)  
P Bradford (resigned 24 July 2002)  
B Challender (resigned 2 October 2001)  
D I Lindsay (appointed 24 July 2002)  
M A Swallow (resigned 24 July 2002)

Walsall Division of Black Country Chamber of Commerce and Industry Limited (the Walsall member) comprising:

J D Baker  
R F Crundwell  
B F Lowe  
J Murray

EMCCI LIMITED

REPORT OF THE COUNCIL (Continued)

AUDITORS

A resolution will be raised at the annual general meeting to reappoint BDO Stoy Hayward as auditors.

On behalf of the Council

A handwritten signature in black ink, appearing to read 'D Grubb', written in a cursive style.

D Grubb  
Secretary

19 February 2003

REPORT OF THE INDEPENDENT AUDITORS  
TO THE SHAREHOLDERS OF EMCCI LIMITED

We have audited the financial statements of EMCCI for the year ended 31 March 2002 on pages six to fourteen which have been prepared under the accounting policies set out on page 9.

*Respective responsibilities of Council and auditors*

The Council's responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Council's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Council's Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Council's remuneration and transactions with the company is not disclosed.

We read the Council's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

This report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

*Basis of audit opinion*

We conducted our audit in accordance with United Kingdom 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 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 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 31 March 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*BDO Stey Hayward*  
BDO STOY HAYWARD

Chartered Accountants  
Registered Auditors

WALSALL

*21 February 2003*

## EMCCI LIMITED

## INCOME AND EXPENDITURE ACCOUNT

Year ended 31 March 2002

|  | Notes | 2002<br>£        | 2001<br>£        |
|--|-------|------------------|------------------|
| INCOME   | 2     | 3,038,225        | 3,806,194        |
| Expenses recharged to members                            |       | -                | (86,487)         |
|  |       | <u>3,038,225</u> | <u>3,719,707</u> |
| Operating expenses                                       |       | (3,099,075)      | (3,902,845)      |
| OPERATING DEFICIT  | 3     | (60,850)         | (183,138)        |
| Rental income  |       | 77,187           | 46,080           |
| Income from investments                                  |       | -                | -                |
| Interest receivable                                      |       | 8,381            | 7,474            |
| SURPLUS (DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION |       | <u>24,718</u>    | <u>(129,584)</u> |
| TAXATION ON ORDINARY ACTIVITIES                          | 6     | (11,000)         | 1,122            |
| SURPLUS (DEFICIT) ON ORDINARY ACTIVITIES AFTER TAXATION  |       | 13,718           | (128,462)        |
| RETAINED SURPLUS BROUGHT FORWARD                         |       | <u>1,003,222</u> | <u>1,131,684</u> |
| RETAINED SURPLUS CARRIED FORWARD                         | 15    | <u>1,016,940</u> | <u>1,003,222</u> |

All of the company's activities are continuing.

There are no recognised gains and losses other than the surplus for the year.

The notes on pages nine to fourteen form part of these accounts.

EMCCI LIMITED

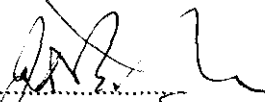
BALANCE SHEET  
31 March 2002

|   | Notes | £              | 2002<br>£        | £              | 2001<br>£        |
|---|-------|----------------|------------------|----------------|------------------|
| TANGIBLE FIXED ASSETS                           | 7     |                | 664,826          |                | 675,967          |
| INVESTMENT                                      | 8     |                | <u>1</u>         |                | <u>1</u>         |
|   |       |                | 664,827          |                | 675,968          |
| <b>CURRENT ASSETS</b>                           |       |                |                  |                |                  |
| Debtors – amounts falling due within one year   | 9     | 602,590        |                  | 801,555        |                  |
| Cash at bank and in hand                        |       | 54,801         |                  | 163,893        |                  |
|   |       | <u>657,391</u> |                  | <u>965,448</u> |                  |
| CREDITORS – amounts falling due within one year | 10    | (305,278)      |                  | (638,194)      |                  |
| NET CURRENT ASSETS                              |       |                | <u>352,113</u>   |                | <u>327,254</u>   |
| TOTAL NET ASSETS                                |       |                | <u>1,016,940</u> |                | <u>1,003,222</u> |
| <b>CAPITAL AND RESERVES</b>                     |       |                |                  |                |                  |
| Called up share capital                         | 12    |                | -                |                | -                |
| Accumulated surplus                             |       |                | <u>1,016,940</u> |                | <u>1,003,222</u> |
| MEMBERS' FUNDS                                  | 15    |                | <u>1,016,940</u> |                | <u>1,003,222</u> |

The notes on pages nine to fourteen form part of these accounts.

Approved by the Council on 19 February 2003  
and signed on their behalf by:

  
.....  
B F LOWE, Chairman

  
.....  
J D BAKER, Director



## EMCCI LIMITED

## CASH FLOW STATEMENT

For the year ended 31 March 2002

|   | £        | 2002<br>£        | £        | 2001<br>£        |
|---|----------|------------------|----------|------------------|
| NET CASH OUTFLOW FROM<br>OPERATING ACTIVITIES   |          | (129,338)        |          | (168,191)        |
| RETURNS ON INVESTMENTS AND<br>SERVICING OF FINANCE                                      |          |                  |          |                  |
| Rental income   | 77,187   |                  | 46,080   |                  |
| Income from investments   | -        |                  | -        |                  |
| Interest received   | 8,381    |                  | 7,474    |                  |
|   |          | <u>85,568</u>    |          | <u>53,554</u>    |
| CAPITAL EXPENDITURE AND<br>FINANCIAL INVESTMENT   |          |                  |          |                  |
| Payments to acquire tangible fixed assets   | (65,322) |                  | (47,257) |                  |
| Receipts from sales of tangible fixed<br>assets   | -        |                  | 350      |                  |
|   |          | <u>(65,322)</u>  |          | <u>(46,907)</u>  |
| DECREASE IN CASH  |          | <u>(109,092)</u> |          | <u>(161,544)</u> |
| RECONCILIATION OF OPERATING<br>DEFICIT TO NET CASH OUTFLOW<br>FROM OPERATING ACTIVITIES |          |                  |          |                  |
| Operating deficit   |          | (60,850)         |          | (183,138)        |
| Depreciation  |          | 76,463           |          | 91,920           |
| Decrease (increase) in debtors  |          | 198,965          |          | 30,848           |
| Decrease in creditors   |          | (343,916)        |          | (107,471)        |
| Profit on sale of fixed assets  |          | -                |          | (350)            |
|   |          | <u>(129,338)</u> |          | <u>(168,191)</u> |
| ANALYSIS OF NET CASH  |          |                  |          |                  |
| Cash at bank and in hand<br>At 31 March 2001  |          |                  |          | 163,893          |
| Cash outflow  |          |                  |          | <u>(109,092)</u> |
| At 31 March 2002  |          |                  |          | <u>54,801</u>    |

NOTES TO THE ACCOUNTS  
Year ended 31 March 2002

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

Tangible fixed assets

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

Depreciation

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

|                                |                              |
|--------------------------------|------------------------------|
| Short leasehold buildings      | Over the period of the 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 any provision for impairment.

Pensions

The company contributes to a defined contribution pension scheme. Contributions payable 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.

Grants received

Grants of a revenue nature are credited to the income and expenditure account in the period to which they relate.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable a liability will crystallise.

NOTES TO THE ACCOUNTS (Continued)  
Year ended 31 March 2002

## 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 training operations.

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

|                               | 2002<br>£        | 2001<br>£        |
|-------------------------------|------------------|------------------|
| Members' subscriptions        | -                | 294,306          |
| Charges for services provided | 3,038,225        | 3,511,888        |
|                               | <u>3,038,225</u> | <u>3,806,194</u> |

## 3. OPERATING DEFICIT

This is arrived at after charging (crediting):

|                                    |                             |                             |
|------------------------------------|-----------------------------|-----------------------------|
| Depreciation                       | 76,463                      | 91,920                      |
| Auditors' remuneration             | 4,250                       | 3,600                       |
| Revenue grants                     | 159,952                     | 381,568                     |
| Operating lease rentals:           |                             |                             |
| Land and buildings                 | 65,867                      | 121,646                     |
| Other                              | 22,006                      | 62,855                      |
| Profit on disposal of fixed assets | -                           | (350)                       |
|                                    | <u>                    </u> | <u>                    </u> |

## 4. STAFF COSTS

|   |                  |                  |
|---|------------------|------------------|
| Wages and salaries                          | 1,624,976        | 1,812,602        |
| Employer's national insurance contributions | 140,736          | 166,187          |
| Other pension costs                         | 21,347           | 22,178           |
|   | <u>1,787,659</u> | <u>2,000,967</u> |

The average number of employees during the period was made up as follows

|          | Number     | Number     |
|----------|------------|------------|
| Chamber  | -          | 45         |
| Training | 110        | 85         |
|          | <u>110</u> | <u>130</u> |

|  |                             |                |
|--|-----------------------------|----------------|
| Council members' emoluments  | £                           | £              |
| Aggregate emoluments   | -                           | 115,089        |
| Pension contributions paid by the company on behalf of Council members under the defined contribution scheme | -                           | 12,675         |
|  | <u>                    </u> | <u>127,764</u> |

Only full time executives on the Council received emoluments during the year.

At 31 March 2002 no Council members (2001 – no members) were accruing benefits under defined contribution schemes.

NOTES TO THE ACCOUNTS (Continued)  
Year ended 31 March 2002

|    |  |  |  |                   |
|----|--|--|--|-------------------|
| 5. | PENSION COSTS  |  | 2002<br>£  | 2001<br>£         |
|    | The Chamber operates a funded defined contribution pension scheme. |  |  |                   |
|    | Pension cost charged to profit on ordinary activities              |  | 21,347   | 22,178            |
|    |  |  | <u>          </u>  | <u>          </u> |
| 6. | TAXATION   |  |  |                   |
|    | Corporation tax charge   |  | 11,000   | -                 |
|    | Overprovision in previous year                                     |  | -  | (1,122)           |
|    |  |  | <u>          </u>  | <u>          </u> |
|    |  |  | 11,000   | (1,122)           |
|    |  |  | <u>          </u>  | <u>          </u> |
| 7. | TANGIBLE FIXED ASSETS  | Freehold<br>and<br>leasehold<br>land and<br>buildings<br>£ | Motor<br>vehicles,<br>computer<br>and office<br>equipment<br>£ | Total<br>£        |
|    | COST   |  |  |                   |
|    | At 31 March 2001   | 711,391  | 723,770  | 1,435,161         |
|    | Additions  | 10,814   | 54,508   | 65,322            |
|    | Disposals  | -  | (3,995)  | (3,995)           |
|    |  | <u>          </u>  | <u>          </u>  | <u>          </u> |
|    | At 31 March 2002   | 722,205  | 774,283  | 1,496,488         |
|    |  | <u>          </u>  | <u>          </u>  | <u>          </u> |
|    | LAND AND BUILDINGS COST COMPRISES:                                 |  |  |                   |
|    | Land   |  |  | 11,064            |
|    | Freehold property  |  |  | 700,327           |
|    |  |  |  | <u>          </u> |
|    |  |  |  | 711,391           |
|    |  |  |  | <u>          </u> |
|    | DEPRECIATION   |  |  |                   |
|    | At 31 March 2001   | 155,181  | 604,013  | 759,194           |
|    | Provided for the year  | 13,389   | 63,074   | 76,463            |
|    | Disposals  | -  | (3,995)  | (3,995)           |
|    |  | <u>          </u>  | <u>          </u>  | <u>          </u> |
|    | At 31 March 2001   | 168,570  | 663,092  | 831,662           |
|    |  | <u>          </u>  | <u>          </u>  | <u>          </u> |
|    | NET BOOK VALUE   |  |  |                   |
|    | At 31 March 2002   | 553,635  | 111,191  | 664,826           |
|    |  | <u>          </u>  | <u>          </u>  | <u>          </u> |
|    | At 31 March 2001   | 556,210  | 119,757  | 675,967           |
|    |  | <u>          </u>  | <u>          </u>  | <u>          </u> |
| 8. | INVESTMENT AT COST   |  | 2002<br>£  | 2001<br>£         |
|    | Unlisted investment  |  | 1  | 1                 |
|    |  |  | <u>          </u>  | <u>          </u> |

NOTES TO THE ACCOUNTS (Continued)  
Year ended 31 March 2002

|     |  |                |                |
|-----|--|----------------|----------------|
| 9.  | DEBTORS  | 2002<br>£      | 2001<br>£      |
|     | Amounts falling due within one year  |                |                |
|     | Trade debtors  | 502,661        | 786,107        |
|     | Other debtors  | 85,537         | 6,711          |
|     | Prepayments and accrued income   | 14,392         | 7,615          |
|     | Corporation tax  | -              | 1,122          |
|     |  | <u>602,590</u> | <u>801,555</u> |
| 10. | CREDITORS – amounts falling due within one year  |                |                |
|     | Trade creditors  | 84,143         | 186,325        |
|     | Other taxes and social security costs  | 88,033         | 118,142        |
|     | Accruals and deferred income   | 1,967          | 183,170        |
|     | Other creditors  | -              | -              |
|     | Corporation tax  | 11,000         | -              |
|     | Subsidiary undertaking   | 120,135        | 150,557        |
|     |  | <u>305,278</u> | <u>638,194</u> |
|     | HSBC Bank plc has a mortgage on the freehold property at Ward Street, Walsall as security for any bank indebtedness.   |                |                |
| 11. | DEFERRED TAXATION  | 2002<br>£      | 2001<br>£      |
|     | This comprises the following:  |                |                |
|     | Capital allowances in advance of depreciation  | -              | (1,804)        |
|     | Capital gain arising on disposal of freehold property  | -              | 1,804          |
|     |  | <u>-</u>       | <u>-</u>       |
| 12. | CALLED UP SHARE CAPITAL  |                |                |
|     | The company is 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. |                |                |
| 13. | OPERATING LEASE COMMITMENTS  | 2002<br>£      | 2001<br>£      |
|     | At 31 March 2002 the company was committed to the following annual payments relating to operating leases:  |                |                |
|     | Land and buildings:  |                |                |
|     | Expiry within one year   | -              | 1,667          |
|     | Expiry between two and five years  | 48,900         | 71,363         |
|     |  | <u>48,900</u>  | <u>73,030</u>  |

NOTES TO THE ACCOUNTS (Continued)  
Year ended 31 March 2002

|     |   |               |               |
|-----|---|---------------|---------------|
| 13. | OPERATING LEASE COMMITMENTS (Continued) | 2002<br>£     | 2001<br>£     |
|     | Office equipment and motor vehicles:    |               |               |
|     | Expiry within one year                  | 8,717         | 10,655        |
|     | Expiry within two and five years        | 24,775        | 16,192        |
|     |   | <u>33,492</u> | <u>26,847</u> |

14. CONTINGENT LIABILITIES

Value added tax

The company is presently negotiating its method of allocating recoverable input tax with H M 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.

|     |   |                  |                  |
|-----|---|------------------|------------------|
| 15. | RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS | 2002<br>£        | 2001<br>£        |
|     | Surplus (deficit) for the financial year      | 13,718           | (128,462)        |
|     | Opening members' funds                        | 1,003,222        | 1,131,684        |
|     | Closing members' funds                        | <u>1,016,940</u> | <u>1,003,222</u> |

16. SUBSIDIARY UNDERTAKINGS

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

|  |  |           |           |
|--|--|-----------|-----------|
|  | The last audited financial statements up to 31 March 2002 disclose | 2002<br>£ | 2001<br>£ |
|  | Reserves   | 120,585   | 151,007   |
|  | Loss for the year  | (30,422)  | (57,952)  |

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.

NOTES TO THE ACCOUNTS (Continued)  
Year ended 31 March 2002

17. RELATED PARTY TRANSACTIONS

The following transactions have taken place:

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 £323,953 (2001 - £283,821) worth of services. The company recharged costs of £201,375 (2001 - £199,773) as well as charging rentals of £43,000 (2001 - £42,000) and a management charge of £110,000 (2001 - £100,000). At 31 March 2002 there was an outstanding balance payable of £120,135 (2001 - £150,557).

During the year D S Frost, J Tamberlin, Dr R F Crundwell and B F Lowe were directors of British Business Parks Limited, a company limited by guarantee. The company sold £nil (2001 - £123,334) worth of services to British Business Parks Limited. At 31 March 2002 there were outstanding balances receivable of £40,000 (2001 - £60,000) with British Business Parks Limited, after including a bad debt reserve of £20,000 (2001 - £30,000).

During the year the company recharged costs of £28,834, made loan of £166,703 to and paid management charges of £50,000 to Southern Staffordshire Chamber of Commerce and Industry Limited, a member of the company. At the year end the company was owed £85,537 by Southern Staffordshire Chamber of Commerce and Industry Limited. This is included in other debtors in note 9. The company has given a guarantee of £20,000 in favour of Southern Staffordshire Chamber of Commerce and Industry Limited in the event of that company being placed in administration or liquidation.

During the year management charges of £50,000 was paid to the Walsall Division of Black Country Chamber of Commerce and Industry Limited, a member of the company.

18. CONTROLLING PARTY

There is no single ultimate controlling party.

19. POST BALANCE SHEET EVENT

On 1 May 2002 the company purchased a freehold property for £100,000.