



**EAST MERCIA CHAMBER  
OF COMMERCE & INDUSTRY**  
(Limited by Guarantee)

**Report of  
the Council  
and Accounts**

**1998**

to be presented to  
the Chamber at the  
One Hundred and Sixteenth  
Annual Meeting

17th July 1998



# 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 1998

### COUNCIL MEMBERS AND ADVISERS

*President:*

B. F. LOWE

*Vice-President:*

J. R. C. SAYERS

*Treasurer:*

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

### Council Members who served during the year:

D. S. FROST – *Chief Executive*

T. D. HUTCHINSON – *Financial Director* (Appointed 19th May 1997)

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

B. F. LOWE

J. R. C. SAYERS

Mrs. S. BLACK

R. S. McDONALD (Resigned 18th Nov 1997) T. TWIST (Appointed 15th Dec 1997)

D. L. CARVER

A. S. MINIFIE

A. C. WEDGEWOOD

R. C. CRANE

J. MURRAY (Appointed 25th July 1997)

J. F. WOOLRIDGE, C.B.E.

R. CRUNDWELL (Appointed 25th July 1997)

F. PRITCHARD

J. TAMBERLIN (Appointed 16th Feb 1998)

J. A. HAYWOOD (Resigned 15th Sept 1997) J. N. PUNCH

### Advisers:

*Auditors:*

MOORES ROWLAND

Chartered Accountants

Walsall

WS1 1QX

*Bankers:*

MIDLAND 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

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

P. C. SABAPATHY

J. ANTILL, O.B.E.

W. JONES

P. E. SANKEY

J. ASPINALL

T. I. C. MCKENZIE

J. R. C. SAYERS

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

J. T. OXLEY

W. A. STEPHENS, J.P.

D. L. CARVER

R. M. PRUGGMAYER

J. TAMBERLIN

G. T. DAVIES

J. N. PUNCH

S. W. P. WHEWAY

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

### 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)

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## Notice of Meeting

NOTICE IS HEREBY GIVEN that the one hundred and sixteenth Annual General Meeting will be held at Chamber of Commerce House, Ward Street, Walsall, on 17th July, 1998 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 11th July, 1997.
3. To receive and adopt the Report and Accounts for the 12 months ended 31st March 1998.
4. To elect members of the Council.  
To consider the re-election of the following members:  
R. C. Crane  
A. S. Minifie  
C. F. Pritchard  
R. Crundwell  
J. Murray  
J. Tamberlin
5. To elect Auditors and authorise the Council to fix their remuneration.
6. To consider the election of B. F. Lowe as an Honorary Life Member of the Chamber.
7. To transact any other business which may be transacted at an Annual General Meeting of the company.

  
T. D. Hutchinson  
*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 submit their report and accounts for the year ended 31st March 1998.

### Results

The surplus for the year, after taxation, amounted to £89,698 which has been added to reserves.

### Review of operations

The company'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.

The Training Division made progress during the year and improved upon the training contracts received from its major customers.

The Chamber won the contract to provide the Business Link services for the Walsall Training and Enterprise Council which will enable a more integrated provision of services to members and local businesses.

### 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

Many computer systems and digital storage systems express dates using only the last two digits of the year and thus will require modification or replacement to accommodate the Year 2000 and beyond. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose the business to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

The company is well advanced in the phase of assessing the risks to the business resulting from the date change to the Year 2000. Once this phase is completed the likely impact on the business will be assessed and prioritised action plans developed to deal with the key risks.

The estimated total costs of these plans have not yet been quantified but it is not believed that they will significantly affect future results.

### 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:

R. C. Crane, A. S. Minifie, C. F. Pritchard and J. F. Woolridge, C.B.E.

### 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

During the year Moores Rowland acted as auditors and will be proposed for re-appointment in accordance with Section 385 of the Companies Act, 1985.

On behalf of the Council

T. D. HUTCHINSON

Secretary

Dated 22nd June 1998

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

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

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**Report of the Auditors**

to the members of East Mercia Chamber of  
Commerce & 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  
to form an independent opinion, based on  
our audit, on those statements and to report  
our opinion to you.

**Basis of opinion**

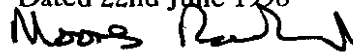
We conducted our audit in accordance with  
Auditing Standards issued by the Auditing  
Practices Board. An audit includes  
examination, on a test basis, of evidence  
relevant to the amounts and disclosures in  
the financial statements. It also includes an  
assessment of the significant estimates 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 1998 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 22nd June 1998



MOORES ROWLAND

Chartered Accountants

Registered Auditors

Walsall.

WS1 1QX

## INCOME AND EXPENDITURE ACCOUNT for the year ended 31st March 1998

Note	Year ended 31st March 1998  £	15 months ended 31st March 1997 Restated £
2. INCOME	3,796,519	4,543,934
Expenses recharged to members	86,734	106,895
	3,709,785	4,437,039
Operating expenses	3,728,663	4,641,305
	(18,878)	(204,266)
3. OPERATING DEFICIT		
11. Loan account balances written off	38,842	-
Rent income	71,281	75,394
Income from investments	1,478	1,463
Interest receivable	24,105	8,928
	116,828	(118,481)
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION		
6. TAXATION on ordinary activities	(27,130)	2,050
	89,698	(116,431)
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES AFTER TAXATION		
RETAINED SURPLUS BROUGHT FORWARD	1,028,937	1,145,368
	1,118,635	1,028,937
16. RETAINED SURPLUS CARRIED FORWARD	1,118,635	1,028,937
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES		
Surplus/(deficit) for the period	89,698	(116,431)
Prior years' adjustments as shown in note 7	(72,980)	
	16,718	
Total gains/(losses) for the period recognised since the last annual report		
All of the Company's operations are continuing.		

The notes on pages 8 to 12 form part of these accounts

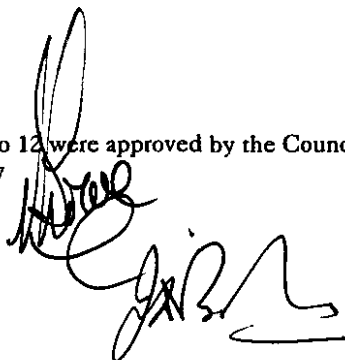
## BALANCE SHEET – 31st March 1998

Note	1998		1997	
	£	£	£	£
				Restated
8.	TANGIBLE FIXED ASSETS		579,492	625,951
9.	INVESTMENTS		13,149	13,149
	CURRENT ASSETS			
10.	Debtors: Amounts falling due within one year		634,126	869,115
	Cash at bank and in hand		465,033	351,400
			<u>1,099,159</u>	<u>1,220,515</u>
11.	CREDITORS: Amounts falling due within one year		573,165	830,678
	NET CURRENT ASSETS		<u>525,994</u>	<u>389,837</u>
	TOTAL NET ASSETS		<u><u>1,118,635</u></u>	<u><u>1,028,937</u></u>
	CAPITAL AND RESERVES			
13.	Called up share capital		-	-
	Accumulated surplus		<u>1,118,635</u>	<u>1,028,937</u>
16.	MEMBERS' FUNDS		<u><u>1,118,635</u></u>	<u><u>1,028,937</u></u>

The accounts on pages 5 to 12 were approved by the Council on 22nd June 1998 and signed on its behalf by

B. F. LOWE, *President.*

J. D. BAKER, *Treasurer.*



The notes on pages 8 to 12 form part of these accounts

## CASH FLOW STATEMENT for the year ended 31st March 1998

	Year ended 31st March 1998	15 months ended 31st March 1997	
	£	£	Restated
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	81,421	303,755	
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Rent income	71,281	75,394	
Income from investments	1,478	1,463	
Interest received	24,105	8,928	
	96,864	85,785	
<b>TAXATION</b>			
Corporation tax paid	(297)	(13,446)	
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Payments to acquire tangible fixed assets	(78,905)	(144,882)	
Payments to acquire investments	-	(1)	
Receipts from sales of tangible fixed assets	14,550	262,065	
	(64,355)	117,182	
<b>INCREASE IN CASH</b>	113,633	493,276	
<b>RECONCILIATION OF OPERATING DEFICIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>			
Operating deficit	(18,878)	(204,266)	
Depreciation charges	108,538	171,763	
Loan account balances written off	38,842	-	
Decrease in debtors	208,156	88,473	
(Decrease)/increase in creditors	(257,513)	316,408	
Loss/(profit) on sale of fixed assets	2,276	(68,623)	
	81,421	303,755	
	81,421	303,755	
<b>ANALYSIS OF NET CASH</b>			
	31st March 1997	Cash flow	31st March 1998
	£	£	£
Cash at bank and in hand	351,400	113,633	465,033
	351,400	113,633	465,033

The notes on pages 8 to 12 form part of these accounts.



## NOTES TO THE ACCOUNTS – 31st March 1998

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### 1. ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with 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	4-5 years
Computer equipment	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:

	Year ended 31st March 1998	15 months ended 31st March 1997 Restated
	£	£
Members' subscriptions	242,764	265,512
Charges for services provided	3,553,755	4,278,422
	<u>3,796,519</u>	<u>4,543,934</u>

## NOTES TO THE ACCOUNTS – 31st March 1998

		Year ended 31st March 1998	15 months ended 31st March 1997
		£	£
Note			
3.	<b>OPERATING DEFICIT</b>		
	This is arrived at after charging:		
	Depreciation	108,538	171,763
	Auditors' remuneration	3,350	3,250
	Operating lease rentals	214,801	230,723
	Land and buildings	9,152	17,354
	Other	2,276	-
	Loss on disposal of fixed assets	<u>2,276</u>	<u>-</u>
	and after crediting:		
	Profit on sale of freehold property	<u>-</u>	<u>68,623</u>
4.	<b>STAFF COSTS</b>		
	Wages and salaries	1,591,824	1,897,679
	Employer's National Insurance contributions	147,606	191,080
	Other pension costs	30,149	28,180
		<u>1,769,579</u>	<u>2,116,939</u>
		No.	No.
	The average number of employees during the period was made up as follows:		
	Office and management	48	46
	Training officers	79	84
		<u>127</u>	<u>130</u>
		£	£
	<b>Council members' emoluments</b>		
	Total emoluments	110,246	115,620
	Pension contributions paid by the company on behalf of council members under the defined contribution scheme.	14,242	15,005
		<u>124,488</u>	<u>130,625</u>
	At 31st March 1998 two council members were accruing benefits under the defined contribution scheme		
5.	<b>PENSION COSTS:</b>		
	The Chamber operates a funded defined contribution pension scheme.		
	Pension cost charged to profit on ordinary activities	30,149	28,180
	Contributions outstanding included under creditors	-	4,156
	Prepaid contributions	1,189	-
		<u>31,338</u>	<u>32,336</u>
6.	<b>TAXATION</b>		
	UK corporation tax at 21%	25,000	1,000
	Prior year adjustment	2,088	(3,090)
	Tax credits on UK dividends received	42	40
		<u>27,130</u>	<u>(2,050)</u>

## NOTES TO THE ACCOUNTS – 31st March 1998

### 7. PRIOR YEAR ADJUSTMENTS

	Year ended 31st March 1997 £
Over provision of sales reserves	86,980
Less taxation	(14,000)
	<u>72,980</u>

### 8. TANGIBLE FIXED ASSETS

	Freehold/ Leasehold Land and Buildings £	Motor Vehicles Office Equipment and Furniture £	Total £
<b>COST</b>			
At 1st April, 1997	601,008	587,360	1,188,368
Additions	17,500	61,405	78,905
Disposals	–	(40,144)	(40,144)
At 31st March, 1998	<u>618,508</u>	<u>608,621</u>	<u>1,227,129</u>
<b>LAND AND BUILDINGS COST COMPRISES:</b>			
Land			11,064
Freehold property			542,452
Short leasehold property			64,992
			<u>618,508</u>
<b>DEPRECIATION</b>			
At 1st April, 1997	146,814	415,603	562,417
Provided for year	22,960	85,578	108,538
On disposals	–	(23,318)	(23,318)
At 31st March, 1998	<u>169,774</u>	<u>477,863</u>	<u>647,637</u>
NET BOOK VALUE at 31st March, 1998	<u>448,734</u>	<u>130,758</u>	<u>579,492</u>
NET BOOK VALUE at 31st March, 1997	<u>454,194</u>	<u>171,757</u>	<u>625,951</u>

### 9. INVESTMENTS AT COST

	1998 £	1997 £
Quoted investments	13,149	13,149

The investments, government securities and quoted ordinary shares had a market value at 31st March 1998 of £22,107 (31st March 1997 - £19,398).

### 10. DEBTORS: Amounts falling due within one year

		Restated
Trade debtors	564,455	760,629
Subsidiary undertaking	–	8,375
Other debtors	10,755	12,934
Prepayments and accrued income	56,772	58,200
Corporation tax recoverable	2,144	28,977
	<u>634,126</u>	<u>869,115</u>

## NOTES TO THE ACCOUNTS – 31st March 1998

	1998	1997
	£	£
11. CREDITORS: Amounts falling due within one year		
Trade creditors	92,304	153,369
Subsidiary undertaking	–	4,312
Other taxes and social security costs	88,693	105,151
Accruals and deferred income	124,616	193,489
Other creditors	129,401	155,771
Loan accounts ( <i>see Note</i> )	–	38,842
Engineering Centre current account	138,151	179,744
	<u>573,165</u>	<u>830,678</u>

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

### NOTE

On 3rd May 1994 East Mercia Chamber of Commerce and Industry (“East Mercia”) merged with the Burton-upon-Trent and District Chamber of Commerce and Industry (“Burton”) and Tamworth Chamber of Commerce (“Tamworth”). In accordance with the merger Agreement the assets of “Burton” and “Tamworth” were transferred to “East Mercia”, and are included in the assets at 31st March 1998 and were represented by Loan Accounts as follows:

	1998	1997
	£	£
“Burton”	–	33,813
“Tamworth”	–	5,029
	<u>–</u>	<u>38,842</u>

Members of “Burton” and “Tamworth” had the right at any time up to 3rd May 1997 to require repayment of these Loan Accounts. These rights were not exercised and consequently the loan account balances have been transferred to the Income and Expenditure account.

	1998	1997
	£	£
12. DEFERRED TAXATION		
This comprises the following:		
Capital allowances in advance of depreciation	(1,894)	(2,074)
Capital gain arising on disposal of freehold property	1,894	2,074
	<u>–</u>	<u>–</u>
13. 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.		
14. OPERATING LEASE COMMITMENTS		
At 31st March 1998 the company was committed to the following annual payments relating to operating leases:		
Land and buildings:		
Expiry within one year	87,026	48,656
Expiry between one and five years	42,985	137,332
Expiry over five years	20,500	34,800
	<u>150,511</u>	<u>220,788</u>
Office equipment and motor vehicles:		
Expiry within one year	10,584	2,192
Expiry between one and five years	9,076	4,408
	<u>19,660</u>	<u>6,600</u>

## NOTES TO THE ACCOUNTS – 31st March 1998

### 15. CONTINGENT LIABILITY

The company has guaranteed any indebtedness to Midland Bank plc by Walsall Chamber of Commerce Engineering Centre Limited. At 31st March, 1998 there was no such indebtedness (1997: £Nil).

### 16. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	Year ended 31st March 1998	15 months ended 31st March 1997 Restated
	£	£
Surplus/(deficit) for the financial period	89,698	(116,431)
Opening Members' Funds		
– Original	1,101,917	1,145,368
– Prior year adjustment (note 7)	(72,980)	–
	<u>1,028,937</u>	<u>1,145,368</u>
Closing Members' Funds	<u>1,118,635</u>	<u>1,028,937</u>

### 17. SUBSIDIARY UNDERTAKINGS

Business Link (Walsall) Limited, a company limited by guarantee, incorporated and registered in England was a subsidiary of the East Mercia Chamber of Commerce and Industry Limited until 31st July 1997 when the company ceased to trade. Business Link (Walsall) Limited is currently in voluntary liquidation.

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 1998 disclose:-

	31st March 1998	31st March 1997
	£	£
Reserves	345,308	371,693
Loss for the year	<u>(26,385)</u>	<u>(31,379)</u>

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.

### 18. RELATED PARTY TRANSACTIONS

The following transactions have taken place:

- a) The company controlled 75% of the voting rights of Business Link (Walsall) Limited, which ceased to trade at 31st July 1997. During the period the company purchased £21,752 and sold £43,235 worth of services. At 31st March 1998 there were no outstanding balances receivable or payable.
- b) During the period D. S. Frost and R. McDonald were directors of Business Link Staffordshire Limited, and the company purchased £1,646 and sold £26,899 worth of services. At 31st March 1998 there was an outstanding balance receivable of £2,514.
- c) During the period B. Lowe, D. L. Carver and J. N. Punch were directors of Walsall City Challenge Limited and the company purchased £12,343 and sold £190,133 worth of services. At 31st March 1998 there was an outstanding balance receivable of £12,960.
- d) During the period D. L. Carver and D. S. Frost were directors of Walsall Training and Enterprise Council Limited and the company purchased £926 and sold £1,357,781 worth of services. At 31st March 1998 there were outstanding balances receivable of £102,584.
- e) During the period J. Baker, D. L. Carver, D. S. Frost, B. Lowe and J. N. Punch were directors of Walsall Chamber of Commerce Engineering Centre Limited and the company purchased £631,130 and sold £656,973 worth of services. During the year East Mercia Chamber of Commerce and Industry made a loan to Walsall Chamber of Commerce Engineering Centre Limited of £50,000, and received £34,250 relating to the sale of machinery owned by Walsall Chamber of Commerce Engineering Centre Limited. At 31st March 1998 there was an outstanding balance payable of £138,151.
- f) During the period R. McDonald was a director of Staffordshire Training and Enterprise Council Limited and the company sold £506,157 worth of services. At 31st March 1998 there was an outstanding balance receivable of £68,272.
- g) During the year D. S. Frost, a director of East Mercia Chamber of Commerce and Industry, purchased a vehicle from the company at an independently assessed market value of £3,800.