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EMCCI LIMITED (FORMERLY EAST
MERCIA CHAMBER OF COMMERCE
& INDUSTRY LIMITED)
REGISTERED NUMBER 36148
ACCOUNTS
31 MARCH 2001

CONTENTS

2. Company information
3. Report of the Council
5. Auditors' report
6. Income and expenditure account
7. Balance sheet
8. Cash flow statement
9. Notes to the accounts

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

Midland 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 2001.

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 deficit for the year, after taxation, amounted to £129,584 which has been deducted from 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.

TRANSFER OF MEMBERS AND CHANGE OF NAME

On 26th March 2001 the members of the Walsall Chamber whose businesses were located in the Borough of Walsall were transferred to the Black Country Chamber of Commerce and Industry Limited, a company limited by guarantee, and the balance of the members to the Southern Staffordshire Chamber of Commerce and Industry Limited, also a company limited by guarantee.

Also on 26th March 2001 the company changed its name to EMCCI Limited. Eight new trustees were appointed, four of whom represent the Walsall members of the Black Country Chamber of Commerce and Industry Limited and four the Southern Staffordshire Chamber of Commerce and Industry Limited.

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.

REPORT OF THE COUNCIL (Continued)

DIRECTORS

The members and nominated directors of the Council are:

Southern Staffordshire Chamber of Commerce and Industry Limited (the Southern Staffordshire Member) (appointed 26 March 2001) comprising:

Mrs S P Arnold
P Bradford
B Challender
M A Swallow

B Challender resigned on 2 October 2001 and M Adcock was appointed on 2 October 2001.

Walsall Division of Black Country Chamber of Commerce and Industry Limited (the Walsall member) (appointed 26 March 2001) comprising:

J D Baker
R F Crundwell
B F Lowe
J Murray

The following were members of East Mercia Chamber of Commerce and Industry prior to the change of name to EMCCI Limited on 26 March 2001. Except where stated, they all resigned on the date of conversion:

Members at 25 March 2001

Mrs S P Arnold
J D Baker
P S Bradford
M D Brown
D L Carver
R C Crane (resigned 23 November 2000)
R F Crundwell
B F Lowe
A S Minifie (resigned 6 October 2000)
J Murray
C F Pritchard
J N Punch
D Scott
M A Swallow
J Tamberlin
A C Wedgewood (resigned 23 November 2000)
D S Frost (resigned 31 December 2000)
N J Tennant

Appointments

D Lindsay (appointed 6 October 2000)
W H Summ (appointed 23 November 2000)

AUDITORS

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

On behalf of the Council

N. J. Tennant
Secretary

Nick Tennant
29/1/02

REPORT OF THE INDEPENDENT AUDITORS
TO THE SHAREHOLDERS OF EMCCI LIMITED (FORMERLY EAST MERCIA CHAMBER OF
COMMERCE & INDUSTRY LIMITED)

We have audited the financial statements of EMCCI (formerly East Mercia Chamber of Commerce & Industry Limited) for the year ended 31 March 2001 on pages six to fourteen which have been prepared under the accounting policies set out therein.

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.

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 2001 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward
BDO STOY HAYWARD

Chartered Accountants
Registered Auditors

WALSALL

29 January 2002

EMCCI LIMITED (FORMERLY EAST MERCIA CHAMBER OF COMMERCE & INDUSTRY LIMITED)

INCOME AND EXPENDITURE ACCOUNT

Year ended 31 March 2001

	Notes	2001 £	2000 £
INCOME	2	3,806,194	3,363,583
Expenses recharged to members		(86,487)	(106,722)
		<u>3,719,707</u>	<u>3,256,861</u>
Operating expenses		(3,902,845)	(3,277,135)
OPERATING DEFICIT	3	(183,138)	(20,274)
Rental income		46,080	45,080
Income from investments		-	1,339
Interest receivable		7,474	3,827
(DEFICIT) SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(129,584)</u>	<u>29,972</u>
TAXATION ON ORDINARY ACTIVITIES	6	1,122	6,767
(DEFICIT) SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(128,462)</u>	<u>36,739</u>
RETAINED SURPLUS BROUGHT FORWARD		<u>1,131,684</u>	<u>1,094,945</u>
RETAINED SURPLUS CARRIED FORWARD	15	<u>1,003,222</u>	<u>1,131,684</u>

All of the company's activities are continuing.

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

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

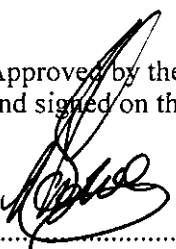
EMCCI LIMITED (FORMERLY EAST MERCIA CHAMBER OF COMMERCE & INDUSTRY LIMITED)

BALANCE SHEET
31 March 2001

	Notes	£	2001 £	£	2000 £
TANGIBLE FIXED ASSETS	7		675,967		720,630
INVESTMENTS	8		1		1
			<u>675,968</u>		<u>720,631</u>
CURRENT ASSETS					
Debtors – amounts falling due within one year	9	801,555		831,281	
Cash at bank and in hand		163,893		325,437	
			<u>965,448</u>	<u>1,156,718</u>	
CREDITORS – amounts falling due within one year	10	(638,194)		(745,665)	
NET CURRENT ASSETS			<u>327,254</u>		<u>411,053</u>
TOTAL NET ASSETS			<u>1,003,222</u>		<u>1,131,684</u>
CAPITAL AND RESERVES					
Called up share capital	12		-		-
Accumulated surplus			1,003,222		1,131,684
MEMBERS' FUNDS	15		<u>1,003,222</u>		<u>1,131,684</u>

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

Approved by the Council on
and signed on their behalf by:


..... 29/11/02
B F LOWE, Chairman


..... 29/11/02
M A SWALLOW, Director

EMCCI LIMITED (FORMERLY EAST MERCIA CHAMBER OF COMMERCE & INDUSTRY LIMITED)

CASH FLOW STATEMENT

For the year ended 31 March 2001

	£	2001 £	£	2000 £
NET CASH (OUTFLOW) INFLOW FROM OPERATING ACTIVITIES		(168,191)		82,871
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Rental income	46,080		45,080	
Income from investments	-		1,339	
Interest received	7,474		3,827	
		<u>53,554</u>		<u>50,246</u>
TAXATION				
Corporation tax repaid		-		7,256
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Payments to acquire tangible fixed assets	(47,257)		(116,118)	
Receipts from sales of tangible fixed assets	350		49,219	
		<u>(46,907)</u>		<u>(66,899)</u>
(DECREASE) INCREASE IN CASH		<u>(161,544)</u>		<u>73,474</u>
RECONCILIATION OF OPERATING DEFICIT TO NET CASH (OUTFLOW) INFLOW FROM OPERATING ACTIVITIES				
Operating deficit		(183,138)		(20,274)
Depreciation		91,920		117,022
Decrease (increase) in debtors		30,848		(67,589)
(Decrease) increase in creditors		(107,471)		79,613
Profit on sale of fixed assets		(350)		(25,901)
		<u>(168,191)</u>		<u>82,871</u>
ANALYSIS OF NET CASH				
Cash at bank and in hand At 31 March 2000				325,437
Cash outflow				<u>(161,544)</u>
At 31 March 2001				<u>163,893</u>

NOTES TO THE ACCOUNTS

Year ended 31 March 2000

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 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.

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.

UK corporation tax

Taxation charges are calculated on the basis that a proportion of the company's operating surpluses are derived from non-mutual activities.

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 2001

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:

	2001 £	2000 £
Members' subscriptions	294,306	301,996
Charges for services provided	3,511,888	3,061,587
	<u>3,806,194</u>	<u>3,363,583</u>

3. OPERATING DEFICIT

This is arrived at after charging (crediting):

Depreciation	91,920	117,022
Auditors' remuneration	3,600	3,520
Revenue grants	381,568	-
Operating lease rentals:		
Land and buildings	121,646	118,769
Other	62,855	40,556
Profit on disposal of fixed assets	(350)	(25,901)
	<u> </u>	<u> </u>

4. STAFF COSTS

Wages and salaries	1,812,602	1,698,192
Employer's national insurance contributions	166,187	154,229
Other pension costs	22,178	24,685
	<u>2,000,967</u>	<u>1,877,106</u>

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

	Number	Number
Chamber	45	35
Training	85	80
	<u>130</u>	<u>115</u>

Council members' emoluments	£	£
Aggregate emoluments	115,089	104,414
Pension contributions paid by the company on behalf of Council members under the defined contribution scheme	12,675	12,043
	<u>127,764</u>	<u>116,457</u>

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

At 31 March 2001 no Council members (2000 – two members) were accruing benefits under defined contribution schemes.

NOTES TO THE ACCOUNTS (Continued)

Year ended 31 March 2001

5.	PENSION COSTS		2001 £	2000 £
	The Chamber operates a funded defined contribution pension scheme.			
	Pension cost charged to profit on ordinary activities		22,178	24,685
			<u> </u>	<u> </u>
6.	TAXATION			
	Overprovision in previous year		(1,122)	(6,782)
	Tax credits on dividends received		-	15
			<u> </u>	<u> </u>
			(1,122)	(6,767)
			<u> </u>	<u> </u>
7.	TANGIBLE FIXED ASSETS			
		Freehold land and buildings £	Motor vehicles, computer and office equipment £	Total £
	COST			
	At 1 April 2000	708,392	688,007	1,396,399
	Additions	2,999	44,258	47,257
	Disposals	-	(8,495)	(8,495)
		<u> </u>	<u> </u>	<u> </u>
	At 31 March 2001	711,391	723,770	1,435,161
		<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 1 April 2000	141,175	534,594	675,769
	Provided for the year	14,006	77,914	91,920
	Disposals	-	(8,495)	(8,495)
		<u> </u>	<u> </u>	<u> </u>
	At 31 March 2001	155,181	604,013	759,194
		<u> </u>	<u> </u>	<u> </u>
	NET BOOK VALUE			
	At 31 March 2001	556,210	119,757	675,967
		<u> </u>	<u> </u>	<u> </u>
	At 31 March 2000	567,217	153,413	720,630
		<u> </u>	<u> </u>	<u> </u>
8.	INVESTMENT AT COST		2001 £	2000 £
	Unlisted investment		1	1
			<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS (Continued)
Year ended 31 March 2001

9.	DEBTORS	2001	2000
		£	£
	Amounts falling due within one year		
	Trade debtors	786,107	775,356
	Other debtors	6,711	3,041
	Prepayments and accrued income	7,615	52,884
	Corporation tax recoverable	1,122	-
		<u>801,555</u>	<u>831,281</u>
10.	CREDITORS – amounts falling due within one year	2001	2000
		£	£
	Trade creditors	186,325	115,455
	Other taxes and social security costs	118,142	228,888
	Accruals and deferred income	183,170	180,313
	Other creditors	-	12,500
	Subsidiary undertaking	150,557	208,509
		<u>638,194</u>	<u>745,665</u>
HSBC Bank plc has a mortgage on the freehold property at Ward Street, Walsall as security for any bank indebtedness.			
11.	DEFERRED TAXATION	2001	2000
		£	£
	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>
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	2001	2000
		£	£
	At 31 March 2001 the company was committed to the following annual payments relating to operating leases:		
	Land and buildings:		
	Expiry within one year	1,667	3,550
	Expiry between two and five years	71,363	36,000
	Expiry over five years	-	26,500
		<u>73,030</u>	<u>66,050</u>

NOTES TO THE ACCOUNTS (Continued)
Year ended 31 March 2001

13. OPERATING LEASE COMMITMENTS (Continued)	2001 £	2000 £
Office equipment and motor vehicles:		
Expiry within one year	10,655	6,977
Expiry within two and five years	16,192	45,113
	<u>26,847</u>	<u>52,090</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.

Grant received

The company has received European Regional Development Funding totalling £174,589 relating to a project to develop a regional ICT Business Park. This funding is repayable during the period up to three years after the date of the final payment of the grant is made if the company fails to comply with the conditions specified in the grant offer letter. The directors consider the possibility of any conditions being breached to be remote.

15. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS	2001 £	2000 £
(Deficit) surplus for the financial year	(128,462)	36,739
Opening members' funds	1,131,684	1,094,945
	<u>1,003,222</u>	<u>1,131,684</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 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 31 March 2001 disclose	2001 £	2000 £
Reserves	151,007	208,959
Loss for the year	(57,952)	(48,537)
	<u> </u>	<u> </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.

NOTES TO THE ACCOUNTS (Continued)
Year ended 31 March 2001

17. 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 Company purchased £26,509 (2000 - £132,901) and sold £1,068,904 (2000 - £1,365,182) worth of services. At 31 March 2001 there were outstanding balances receivable of £118,896 (2000 - £233,391).

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 £283,820 (2000 - £276,485) worth of services. The company recharged costs of £199,773 (2000 - £184,022) as well as charging rentals of £42,000 (2000 - £41,000) and a management charge of £100,000 (2000 - £100,000). At 31 March 2001 there was an outstanding balance payable of £150,557 (2000 - £208,509).

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 £123,334 (2000 - £125,820) worth of services to British Business Parks Limited. At 31 March 2001 there were outstanding balances receivable of £60,000 (2000 - £38,745) with British Business Parks Limited, after including a bad debt reserve of £30,000.

18. TRANSFER OF MEMBERS AND CHANGE OF NAME

East Mercia Chamber of Commerce and Industry comprised the Burton and District Chamber, the Cannock Chase Chamber, the Tamworth Chamber and the Walsall Chamber.

On 26 March 2001 the members of the Walsall Chamber whose businesses were located in the Borough of Walsall were transferred to the Black Country Chamber of Commerce and Industry Limited, a company limited by guarantee, and the balance of the members were transferred to the Southern Staffordshire Chamber of Commerce and Industry Limited, also a company limited by guarantee.

Also on 26 March 2001 the company changed its name to EMCCI Limited. Eight new trustees were appointed, four of whom represent the Walsall members of the Black Country Chamber of Commerce and Industry Limited and four the Southern Staffordshire Chamber of Commerce and Industry Limited, who became the two members of the company.

Prepaid member's subscriptions amounting to £169,500 will be paid equally to the Black Country Chamber of Commerce and Industry and the Southern Staffordshire Chamber of Commerce and Industry within one year of the balance sheet date.

19. CONTROLLING PARTY

There is no single ultimate controlling party.