

EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

Company Registration No. 24084 (England and Wales)



EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

DIRECTORS AND ADVISERS

Directors

M C Damms
A B Mitchell
P M Conroy
S A Butt
I Clinton
W J Getty
J B Calway
J C Barker
D S J Holmes
S M Anderson
W E Bowers
N A Bullows
G Fitton
C J Hargreaves
A J Henderson
M C Naessens
C L Ogden
J A Slee

Secretary

L Gaskell

Company number

24084

Registered office

Red Rose Court, Clayton Business Park
Clayton le Moors
Accrington
Lancashire
BB5 5JR

Registered auditors

Beever and Struthers
Central Buildings
Richmond Terrace
Blackburn
BB1 7AP

EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Consolidated profit and loss account	6
Balance sheets	7
Notes to the financial statements	8 - 16

EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and financial statements for the year ended 31 December 2010

Principal activities and review of the business

The Chamber is a company limited by guarantee. Its principal activities in the year were those of a trade association, lobbying on behalf of members, providing business support services and representing the business community.

The Chamber's activities can be summarised under the following headings:

- 1 Lobbying and Representation
- 2 Partnering and Regeneration
- 3 Trading
 - (i) Public Contracts/Business Support
 - (ii) Commercial Trading

The environment that the Chamber operated in during 2010 was very different to the previous year. There was a new Government which immediately set about addressing the national borrowing gap with significant public sector spending reductions. Similarly many of the administration structures and boundaries, including Regional Development Agencies were swept away, as were many business support programmes and institutions, like Business Link, as well as other major initiatives like the Housing Market Renewal (Elevate). Successor arrangements, including LEPs, started to be considered.

Equally significantly for the Chamber and its members, this brought along with it a national commitment to rebalance the economy - with the emphasis on manufacturing and international trade being especially relevant to us.

The Chamber stuck to its core philosophy of being outward facing and influential, with its established lobbying, partnering and business support functions. This made us well placed to be of value to local businesses and to our partners, including the public sector, as we worked to assure the provision of education/skills, infrastructure, technology and other support that commerce and industry would need to improve their productivity, profitability and employment.

As examples of lobbying, we provided British Chambers of Commerce with much of their intelligence on manufacturing and international trade - which was fed directly to government. For partnering, we are a permanent member of PLACE (Pennine Lancs Chief Executives), where, along with the leaders of Local Authorities, Health, Housing and Regeneration, we provide the private sector input in to how local resources, planning etc. can best be deployed to support the area and its economy. Similarly we chair the local Skills Board and the Lancashire Manufacturing Group.

For business support we continue to deliver international trade, supply chain & procurement, training (especially leadership, management and Chartered Institute of Purchasing & Supply) and internet services. We've also seen growth in membership and marked increases in networking.

The property at Red Rose Court, purchased in 2002, remained fully occupied.

The Directors are grateful for the continuing commitment of the membership. On the one hand it has not been an easy year for some companies, especially in construction. On the other hand the number of successful businesses, locally owned, is growing apace giving optimism for the future. The Directors are pleased to be able to report a further contribution to reserves while there have also been higher levels of service to the members.

Results and dividends

The consolidated profit and loss account for the year is set out on page 6.

It is proposed that the retained profit of £41,521 is transferred to the group's reserves.

EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

Directors

The following directors have held office since 1 January 2010

A S Raynor	(Resigned 21 January 2010)
M C Damms	
A B Mitchell	
P M Conroy	
S A Butt	
I Clinton	
M C D Harrison	(Resigned 8 May 2010)
W J Getty	
J B Calway	
J C Barker	
D S J Holmes	
D P Lee	(Resigned 1 October 2010)
S M Anderson	
W E Bowers	(Appointed 21 June 2010)
D E Sutcliffe	(Resigned 11 May 2010)
N A Bullows	(Appointed 21 June 2010)
D Taylor	(Resigned 31 March 2010)
G Fitton	(Appointed 21 June 2010)
H K Bano	
C T Hargreaves	(Appointed 21 June 2010)
A J Henderson	(Appointed 21 June 2010)
M C Naessens	(Appointed 21 June 2010)
C L Ogden	(Appointed 21 June 2010)
J A Slee	(Appointed 21 June 2010)

Subsequent to the year end H K Bano resigned as a director of the company on 4 February 2011

EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



M C Damms

Director

4 April 2011

EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

We have audited the group and parent company financial statements (the "financial statements") of East Lancashire Chamber of Commerce and Industry for the year ended 31 December 2010 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

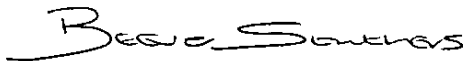
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



Suzanne Lomax (Senior Statutory Auditor)
for and on behalf of Beever and Struthers

4 April 2011

Chartered Accountants
Statutory Auditors

Central Buildings
Richmond Terrace
Blackburn
BB1 7AP

EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
Turnover	2	1,166,626	1,207,353
Staff costs	18	(772,599)	(790,774)
Depreciation and amortisation		(14,463)	(14,426)
Other operating charges		(589,310)	(644,215)
Operating loss	3	(209,746)	(242,062)
Investment income	4	279,466	280,570
Interest payable and similar charges	5	(13,734)	(16,956)
Profit on ordinary activities before taxation		55,986	21,552
Tax on profit on ordinary activities	6	(14,465)	(2,750)
Profit on ordinary activities after taxation		41,521	18,802

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

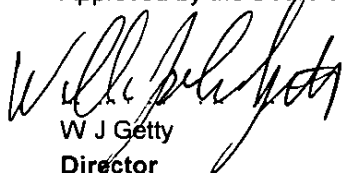
EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

BALANCE SHEETS

AS AT 31 DECEMBER 2010

	Notes	Group 2010 £	2009 £	Company 2010 £	2009 £
Fixed assets					
Tangible assets	8	2,118,279	2,127,696	2,118,279	2,127,696
Investments	9	-	-	1	1
		<u>2,118,279</u>	<u>2,127,696</u>	<u>2,118,280</u>	<u>2,127,697</u>
Current assets					
Debtors	10	201,463	320,536	201,463	320,536
Cash at bank and in hand		172,295	20,223	172,294	20,222
		<u>373,758</u>	<u>340,759</u>	<u>373,757</u>	<u>340,758</u>
Creditors: amounts falling due within one year	11	(480,795)	(443,020)	(484,978)	(447,203)
Net current liabilities		<u>(107,037)</u>	<u>(102,261)</u>	<u>(111,221)</u>	<u>(106,445)</u>
Total assets less current liabilities		2,011,242	2,025,435	2,007,059	2,021,252
Creditors, amounts falling due after more than one year	12	(726,889)	(782,603)	(726,889)	(782,603)
		<u>1,284,353</u>	<u>1,242,832</u>	<u>1,280,170</u>	<u>1,238,649</u>
Capital and reserves					
Revaluation reserve	14	943,523	943,523	943,523	943,523
Profit and loss account	14	340,830	299,309	336,647	295,126
Reserves	15	<u>1,284,353</u>	<u>1,242,832</u>	<u>1,280,170</u>	<u>1,238,649</u>

Approved by the Board and authorised for issue on 4 April 2011


W J Getty
Director

Company Registration No. 24084

EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold investment property

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small group

1.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2010. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.3 Turnover

Turnover is recognised as services are performed.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than investment property are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Long leasehold property	2% straight line
Investment property	not provided
Furniture and office equipment	10% on reducing balance / 33% straight line

Investment properties are included in the balance sheet at their open market value. Depreciation is not provided on investment properties.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors, compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Pensions

The company contributes to externally managed personal pension schemes on behalf of certain employees. Contributions payable are charged to the profit and loss account in the period to which they relate.

1.7 Deferred taxation

Deferred tax arises when profits and surpluses are recognised in the financial statements in one period but are assessed to corporation tax in another.

Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date.

EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3	Operating loss	2010 £	2009 £
	Operating loss is stated after charging/(crediting)		
	Depreciation of tangible assets	14,463	14,426
	Operating lease rentals - land and buildings	10,998	10,176
	Operating lease rentals - other	31,532	41,278
	Auditors' remuneration (company £4,000, 2009 £4,000)	4,000	4,000
	Profit on sale of tangible fixed assets	-	(225)

4	Investment income	2010 £	2009 £
	Income from fixed asset investments	279,466	280,570

5	Interest payable	2010 £	2009 £
	On bank loans and overdrafts	13,734	16,956

EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

6	Taxation	2010	2009
		£	£
	Domestic current year tax		
	U K corporation tax	14,465	2,750
	Total current tax	<u>14,465</u>	<u>2,750</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>55,986</u>	<u>21,552</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2009 - 21.00%)	<u>11,757</u>	<u>4,526</u>
	Effects of		
	Non deductible expenses	420	472
	Depreciation in excess of / (less than) capital allowances	1,228	(1,138)
	Other short term timing differences	1,060	(1,110)
		<u>2,708</u>	<u>(1,776)</u>
	Current tax charge for the year	<u>14,465</u>	<u>2,750</u>

The company has estimated losses of £ 242,685 (2009 - £ 242,685) available for carry forward against future trading profits

7 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows

	2010	2009
	£	£
Holding company's profit for the financial year	<u>41,521</u>	<u>18,802</u>

EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

8 Tangible fixed assets

Group and company

	Long leasehold property £	Investment property * £	Furniture and office equipment £	Total £
Cost or valuation				
At 1 January 2010	362,326	1,794,000	152,203	2,308,529
Additions	-	-	5,046	5,046
At 31 December 2010	362,326	1,794,000	157,249	2,313,575
Depreciation				
At 1 January 2010	71,142	-	109,691	180,833
Charge for the year	7,247	-	7,216	14,463
At 31 December 2010	78,389	-	116,907	195,296
Net book value				
At 31 December 2010	283,937	1,794,000	40,342	2,118,279
At 31 December 2009	291,184	1,794,000	42,512	2,127,696

* Part of Red Rose Court not occupied by East Lancashire Chamber of Commerce and Industry

The investment property has been revalued by the directors at the end of the accounting period, which has resulted in neither a surplus nor a deficit arising in the period. All other fixed assets are stated at cost less depreciation.

Comparable historical cost for investment property included at valuation

	£
Cost and NBV b/fwd and c/fwd	850,477

Based on the revaluation of the investment property there is an unprovided deferred tax provision of £182,000 (2009 £191,000). No provision has been made as the directors do not intend selling the property.

EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

9 Fixed asset investments Company

Shares in
subsidiary
undertakings
£

Cost or valuation

At 1 January 2010 & at 31 December 2010

1

Holdings of more than 20%

The company holds 100% of the ordinary share capital of Export Sales Training Limited, a company registered in England and Wales. This company has not traded during the year.

10 Debtors

	Group 2010 £	2009 £	Company 2010 £	2009 £
Trade debtors	123,955	243,543	123,955	243,543
Other debtors	77,508	76,993	77,508	76,993
	<u>201,463</u>	<u>320,536</u>	<u>201,463</u>	<u>320,536</u>

11 Creditors - amounts falling due within one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Bank loans and overdrafts	59,050	58,111	59,050	58,111
Payments received on account	231,344	218,555	231,344	218,555
Trade creditors	89,216	75,663	89,216	75,663
Amounts owed to group undertakings	-	-	4,183	4,183
Corporation tax	14,465	2,750	14,465	2,750
Taxes and social security costs	45,063	48,582	45,063	48,582
Accruals and deferred income	41,657	39,359	41,657	39,359
	<u>480,795</u>	<u>443,020</u>	<u>484,978</u>	<u>447,203</u>

Details of security in respect of bank loans and overdrafts is given in note 12

EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

12 Creditors - amounts falling due after more than one year

	Group 2010 £	2009 £	Company 2010 £	2009 £
Bank loans	726,889	782,603	726,889	782,603
Analysis of loans				
Not wholly repayable within five years, by instalments	785,939	840,714	785,939	840,714
Included in current liabilities	(59,050)	(58,111)	(59,050)	(58,111)
	726,889	782,603	726,889	782,603
Loan maturity analysis				
In more than one year but not more than two years	60,061	59,107	60,061	59,107
In more than two years but not more than five years	186,429	183,466	186,429	183,466
In more than five years	480,399	540,030	480,399	540,030

The bank loan and overdraft are secured by a first legal mortgage over the company's leasehold and investment property and an unlimited debenture incorporating a fixed and floating charge over the assets of the company. The bank loan is repayable in equal monthly instalments and interest is charged at 1.2% above bank base rate.

13 Pension costs

During the year, the group contributed to money purchase personal pension plans for certain employees. The pension cost charge represents contributions payable by the group to the funds and amounted to £37,509 (2009: £36,377). Contributions totalling £5,045 (2009: £Nil) were payable to the funds at the year end and are included in creditors.

EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

14 Statement of movements on reserves Group

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2010	943,523	299,309
Profit for the year	-	41,521
Balance at 31 December 2010	<u>943,523</u>	<u>340,830</u>

Company

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2010	943,523	295,126
Profit for the year	-	41,521
Balance at 31 December 2010	<u>943,523</u>	<u>336,647</u>

15 Reconciliation of movements in shareholders' funds Group

	2010 £	2009 £
Profit for the financial year	41,521	18,802
Opening shareholders' funds	<u>1,242,832</u>	<u>1,224,030</u>
Closing shareholders' funds	<u>1,284,353</u>	<u>1,242,832</u>

	2010 £	2009 £
Profit for the financial year	41,521	18,802
Opening shareholders' funds	<u>1,238,649</u>	<u>1,219,847</u>
Closing shareholders' funds	<u>1,280,170</u>	<u>1,238,649</u>

EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

16 Financial commitments

At 31 December 2010 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
Expiry date				
Within one year	-	-	-	14,771
Between two and five years	-	-	19,783	14,954
In over five years	11,300	-	1,006	-
	<u>11,300</u>	<u>-</u>	<u>20,789</u>	<u>29,725</u>

17 Directors' emoluments

	2010	2009
	£	£
Emoluments for qualifying services	77,518	72,327
Company pension contributions to money purchase schemes	11,216	10,508
	<u>88,734</u>	<u>82,835</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2009- 1)

EAST LANCASHIRE CHAMBER OF COMMERCE AND INDUSTRY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2010 Number	2009 Number
Office and management	19	20
Executive directors	1	1
Non executive directors	16	15
	<u>36</u>	<u>36</u>

Employment costs

	2010 £	2009 £
Wages and salaries	665,027	677,707
Social security costs	70,063	76,690
Other pension costs	37,509	36,377
	<u>772,599</u>	<u>790,774</u>

19 Guarantees

Company

At 31 December 2010 each of the members of the company agrees, in the event of the company being wound up, to contribute to any deficiency in assets a sum not exceeding £1