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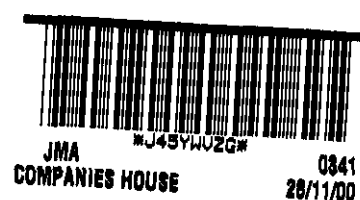
# THE MANCHESTER CHAMBER OF COMMERCE AND INDUSTRY

REPORT AND FINANCIAL STATEMENTS

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◆ *Year ended 31 March 2000* ◆

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**COMPANY INFORMATION**

**Directors**

**Honorary officers**

Sir David Trippier RD JP DL, President  
Mr J C McGuire FCIB, Vice President  
Ms F Goodey, Vice President (Appointed May 1999)  
Mr A G Whitehead FCA, Honorary Treasurer  
Mr G Muirhead, Immediate Past President

**Elected and Co-opted Directors**

Professor J Arnold MSc MA FCA  
Mr L B Barnett  
Mr J S Buckley MBIAT MBIM FFB  
Mr E Dunlop BSc (Resigned November 1999)  
Mr A S Goldstone OBE DL FCA  
Mr P Heginbotham LLB  
Mr J Hulse  
Mr F Kent (Resigned July 1999)  
Mr M T Lester  
Mr F A P Martin Ceng FIEE FIMgt FMS  
Mr W J Oates BSc FCA FIMgt AMBCS  
Mr A K Ruia (Appointed August 1999)  
Mr J P Wainwright MA FRICS  
Mr D G Wilson OBE DL

**Secretary**

Miss J Rowe BA ACCA

**Registered office**

56 Oxford Street  
Manchester  
M60 7HL

**Registered number**

26926

**Auditors**

RSM Robson Rhodes  
Chartered Accountants  
Colwyn Chambers  
19 York Street  
Manchester M2 3BA

## **REPORT OF THE DIRECTORS**

The directors present their report and the Chamber's audited financial statements for the year ended 31 March 2000.

### **Principal activities**

The Manchester Chamber of Commerce and Industry is a company limited by guarantee and its main activity is that of a trade association. The Chamber has the prime representational and lobbying role on behalf of the business community in Manchester, Salford, Tameside and Trafford.

### **Business review and future developments**

1999 / 2000 was a busy year for Manchester Chamber of Commerce and Industry which featured a number of high points. Chamber staff organised more events than ever before, culminating with one of the most prestigious in the regions business calendar, MCCI's annual dinner. This year the guest speaker was former Deputy Prime Minister Michael Heseltine.

The Board of Directors responded positively to the Government announcement of the launch of the Small Business Service by deciding to create a new vehicle for the delivery of business services to all businesses. During the year negotiations were successfully completed with Manchester TEC Limited to form a new Joint Venture company, Chamber Business Enterprises Limited, in place of the previous informal partnership with Manchester TEC Limited. Stockport Chamber of Commerce and the TEC covering the Stockport area are also operational participants in the joint venture.

Chamber Business Enterprises Limited commenced trading on 1 April 2000, delivering all business support services previously delivered separately. The joint venture has subsequently bid successfully for the Small Business Service franchise for its geographical area of operation. Further information regarding the transfer can be found in note 17 to the financial statements.

From 1 April 2000 Manchester Chamber of Commerce and Industry has reverted to its original mission of being the voice of the business community together with acting as a gateway for members to access the integrated business support services offered by Chamber Business Enterprises Limited.

### **Results**

The financial statements show a surplus for the year after taxation of £7,056 (fifteen months ended 31 March 1999 deficit £30,827) resulting in reserves carried forward of £244,745 (31 March 1999 £237,689).

### **Directors**

The names of directors who served during the year are shown on page 1.

**REPORT OF THE DIRECTORS**  
**(Continued)**

**Statement of directors' responsibilities in respect of the accounts**

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the Chamber and of the surplus or deficit of the Chamber for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Chamber will continue in business.

The directors confirm that the accounts comply with the above requirements. The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Chamber and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Chamber and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Year 2000**

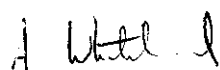
There was no disruption to our business from the millennium date change. The Board believes it has taken all reasonable measures to minimise the risk that its business operations will be affected by the Year 2000 date change.

**Auditors**

The auditors changed their name to RSM Robson Rhodes on 18 October 1999 and accordingly have signed the audit report using their new name. They are willing to continue in office, and a resolution to re appoint them will be proposed at the annual general meeting.

**Approval**

The report of the directors was approved by the Board on 30 June 2000 and signed on its behalf by:



Mr A Whitehead  
Honorary Treasurer

**AUDITORS' REPORT TO THE MEMBERS OF  
THE MANCHESTER CHAMBER OF COMMERCE AND INDUSTRY**

We have audited the financial statements on pages 5 to 16 which have been prepared on the basis of the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are 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 directors 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 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 2000 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*RSM Robson Rhodes*

RSM Robson Rhodes  
Chartered Accountants and Registered Auditor

Manchester  
30 June 2000

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

	Note	Year ended 31 March 2000 £	Fifteen Months ended 31 March 1999 £
<b>Operating income: continuing operations</b>			
- subscriptions		668,906	830,980
- services		1,648,258	2,386,746
		<hr/>	<hr/>
		2,317,164	3,217,726
		<hr/>	<hr/>
<b>Operating expenditure</b>			
- staff costs	4	840,540	1,258,955
- depreciation		40,538	75,434
- other operating charges		1,441,756	1,981,799
		<hr/>	<hr/>
		2,322,834	3,316,188
		<hr/>	<hr/>
<b>Operating deficit: continuing operations</b>	2	(5,670)	(98,462)
Profit on sale of investments		-	37,087
Investment income		-	1,173
Net interest receivable	5	18,226	25,426
		<hr/>	<hr/>
<b>Surplus/(deficit) on ordinary activities before taxation</b>		12,556	(34,776)
Taxation on surplus /(deficit) on ordinary activities	6	(5,500)	3,949
		<hr/>	<hr/>
<b>Surplus/(deficit) for the financial year</b>		7,056	(30,827)
Retained reserves at the start of the period		237,689	268,516
		<hr/>	<hr/>
<b>Retained reserves at the end of the period</b>		244,745	237,689
		<hr/> <hr/>	<hr/> <hr/>

There were no recognised gains or losses other than the results reported above.

There were no movements in members' funds other than the results reported above.

**BALANCE SHEET**  
at 31 March 2000

	Note	31 March 2000 £	31 March 1999 £
<b>Fixed assets</b>			
Tangible assets	7	184,835	195,695
Investments	8	100	100
		<hr/>	<hr/>
		184,935	195,795
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	9	334,629	560,257
Cash at bank and in hand		524,202	447,599
		<hr/>	<hr/>
		858,831	1,007,856
		<hr/>	<hr/>
<b>Creditors: Amounts falling due within one year</b>	10	(799,021)	(965,962)
		<hr/>	<hr/>
<b>Net current assets</b>		59,810	41,894
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		244,745	237,689
		<hr/>	<hr/>
<b>Capital and Reserves</b>			
Income and expenditure account		244,745	237,689
		<hr/>	<hr/>

The financial statements were approved by the Board on 30 June 2000 and signed on its behalf by:



Sir David Trippier  
Director



**CASH FLOW STATEMENT**  
for the year ended 31 March 2000

	Note	Year ended 31 March 2000	Fifteen months ended 31 March 1999 £
<b>Net cash inflow from operating activities</b>	13	48,954	27,467
<b>Returns on investment and servicing of finance</b>			
Interest received		18,226	26,930
Income from investments		-	1,165
Interest element of finance lease payments		-	(1,504)
		<hr/>	<hr/>
		18,226	26,591
		<hr/>	<hr/>
<b>Taxation paid</b>			
UK Corporation tax		4,500	(9,283)
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(29,678)	(36,351)
Proceeds from sale of fixed asset investments		40,804	-
		<hr/>	<hr/>
		11,126	(36,351)
		<hr/>	<hr/>
<b>Financing</b>			
Capital element of finance lease payments		(6,203)	(15,508)
		<hr/>	<hr/>
<b>Increase /(Decrease)in cash</b>	15	76,603	(7,084)
		<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2000**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements only present information about the Chamber and do not contain information relating to the group as a whole. The Chamber is not required to prepare group accounts because the group qualifies as medium sized under section 249 of the Companies Act 1985.

**Depreciation**

Fixed assets are depreciated on a straight line basis over the following periods:

Short leasehold improvements	over the period of the lease
Office equipment	7 years
Computers	3 years

**Income**

Subscriptions - are recognised net of value added tax on an accruals basis over the period of the subscription.

Services - represents income for services net of value added tax.

**Taxation**

The charge for taxation is based on the results for the year and takes into account tax deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision is made at the current rate for deferred taxation only to the extent that it is probable the tax will become payable.

**Pensions**

The Chamber operates a defined benefit pension scheme, which requires contributions to be made to a separate administered fund. Contributions to the fund are charged to the income and expenditure account so as to spread the cost of pensions over the employees' working lives within the Chamber. The regular cost is attributed to individual years using the projected unit method. Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the expected remaining working lives of employees in proportion to their expected payroll costs.

Differences between the amounts funded and the amounts charged to the income and expenditure account are treated as either provisions or prepayments in the balance sheet.

**Foreign Currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income and expenditure account.

**Lease transactions**

Assets held under finance leases, which are those where substantially all the risks and rewards of ownership of the asset have passed to the Chamber are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account on a straight line basis over the period of the lease. Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2000

2. OPERATING DEFICIT

Operating deficit is arrived at after charging:

	Year ended 31 March 2000 £	Fifteen months ended 31 March 1999 £
Auditors' remuneration - audit work	8,750	8,300
Depreciation of owned fixed assets	40,538	71,659
Depreciation of assets held under finance leases	-	3,775
Exceptional reorganisation costs to close the training department	-	27,663
Exceptional property costs	-	68,500
Exceptional computer costs associated with the Year 2000 issue	-	38,539
Operating lease rentals - land and buildings	101,690	208,590
- plant and machinery	23,743	39,772
	<u>          </u>	<u>          </u>

3. DIRECTOR'S REMUNERATION

The aggregate director's remuneration for the year ended 31 March 2000 was £69,883 (fifteen months ended 31 March 1999: £80,456). Contributions to the company pension scheme were made for one director in the year (fifteen months ended 31 March 1999 : one).

4. STAFF COSTS

	Year ended 31 March 2000 £	Fifteen months ended 31 March 1999 £
Wages and salaries	731,938	1,099,780
Social security costs	54,756	86,259
Pension costs	53,846	72,916
	<u>          </u>	<u>          </u>
	840,540	1,258,955
	<u>          </u>	<u>          </u>

The average monthly number of administrative employees during the period was: 45 50

External funded staff - by third party

Aggregate payroll costs	226,525	267,777
Average number of employees	16	14

The costs in respect of staff funded by a third party (Manchester TEC Limited) are included in staff costs analysed above. The related income is included within services income in the Income and Expenditure account.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2000

4. STAFF COSTS (Continued)

**Pensions**

Triennial actuarial valuations of the pension scheme are performed by a qualified actuary using the projected unit method. The most recent formal actuarial review of the defined benefit pension scheme was at 1 July 1997. The market value of the scheme assets at that date was £899,000 and the level of funding was 154%. As a result of the surplus the company's reducing its contributions in the three year period to 30 June 2000. During the year ended 31 March 2000 the employers contribution rate was 10% of pensionable salary.

The main actuarial assumptions used in the valuation were:

Investment returns	9% p.a.
Salary increases	8% p.a.
Future pension increases	5% p.a.

5. NET INTEREST

	Year ended 31 March 2000 £	Fifteen months ended 31 March 1999 £
Interest receivable	18,226	26,930
Finance lease interest	-	(1,504)
	<hr/>	<hr/>
	18,226	25,426
	<hr/>	<hr/>

6. TAXATION

	Year ended 31 March 2000 £	Fifteen months ended 31 March 1999 £
<b>Taxation charge for the year</b>		
Corporation tax at 20%	5,500	-
Overprovided in previous years	-	(3,949)
	<hr/>	<hr/>
Tax charge/(credit)	5,500	(3,949)
	<hr/>	<hr/>

There is no deferred taxation provided for in these accounts (1999 : £Nil). Deferred taxation not provided at 31 March 2000 amounted to £2,100 (1999 : £Nil) in respect of accelerated capital allowances.

NOTES TO THE FINANCIAL STATEMENTS

31 March 2000

7. TANGIBLE FIXED ASSETS

	Short leasehold improvements	Office Equipment and Computers	Total
	£	£	£
<b>Cost</b>			
At 1 April 1999	329,975	226,519	556,494
Additions	-	29,678	29,678
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2000	329,975	256,197	586,172
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 April 1999	167,991	192,808	360,799
Charge in the year	18,612	21,926	40,538
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2000	186,603	214,734	401,337
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 March 2000	143,372	41,463	184,835
	<hr/>	<hr/>	<hr/>
At 31 March 1999	161,984	33,711	195,695
	<hr/>	<hr/>	<hr/>

The net book value of assets held under finance leases was £Nil (31 March 1999 £Nil) the depreciation charge on these assets during the year was £Nil (fifteen months ended 31 March 1999 £3,775).

NOTES TO THE FINANCIAL STATEMENTS

31 March 2000

8. INVESTMENTS

	Subsidiary undertaking £
At 31 March 2000 and 31 March 1999	100

The company owns the entire issued ordinary share capital of Manchester Chamber of Commerce and Industry Services Limited, a dormant company. Its most recent financial statements were prepared to 31 December 1999 which disclosed net assets of £100 (1999:£100).

9. DEBTORS

	31 March 2000 £	31 March 1999 £
Trade debtors	250,611	393,030
Other debtors	7,400	44,804
Taxation recoverable	-	4,500
Accrued income	4,763	54,306
Prepayments	71,855	63,617
	<u>334,629</u>	<u>560,257</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2000 £	31 March 1999 £
Obligations under finance leases (note 11)	-	6,203
Trade creditors	45,553	90,517
Other creditors	55,425	56,277
Corporation tax	5,500	-
Other taxes and social security	67,802	70,177
Amount owed to group undertaking	100	100
Accruals	152,390	240,337
Deferred subscription and other income	472,251	502,351
	<u>799,021</u>	<u>965,962</u>

NOTES TO THE FINANCIAL STATEMENTS

31 March 2000

11. OBLIGATIONS UNDER FINANCE LEASES

	31 March 2000 £	31 March 1999 £
The maturity of these amounts is as follows:		
Amounts payable:		
- within one year	-	7,331
- in two to five years	-	-
	<hr/>	<hr/>
	-	7,331
Less: finance charges allocated to future period	-	(1,128)
	<hr/>	<hr/>
	-	6,203
	<hr/>	<hr/>
Due within one year	-	6,203
Due after one year	-	-
	<hr/>	<hr/>
	-	6,203
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

31 March 2000

12. FINANCIAL COMMITMENTS

**Operating Lease Commitments**

The annual commitments under operating leases are analysed according to the period in which lease expires, as follows:

	31 March 2000 £	31 March 1999 £
a) Land and buildings, leases expiring		
within one year	9,750	9,750
two to five years	-	5,750
beyond five years	87,500	87,500
	<hr/>	<hr/>
	97,250	103,000
	<hr/>	<hr/>
b) Office equipment and motor vehicles, leases expiring		
within one year	-	6,203
two to five years	23,742	24,966
	<hr/>	<hr/>
	23,742	31,169
	<hr/>	<hr/>

**Capital Commitments**

There were no amounts authorised but not provided in the accounts.



NOTES TO THE FINANCIAL STATEMENTS

31 March 2000

13. RECONCILIATION OF OPERATING SURPLUS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Year ended 31 March 2000 £	Fifteen months ended 31 March 1999 £
Operating deficit	(5,670)	(98,462)
Depreciation	40,538	75,434
Decrease/(increase) in debtors	180,324	(46,552)
(Decrease)/increase in creditors	(166,238)	97,047
	<hr/>	<hr/>
Net cash inflow from operating activities	48,954	27,467
	<hr/>	<hr/>

14. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Year ended 31 March 2000 £	Fifteen months ended 31 March 1999 £
Increase/(decrease) in cash	76,603	(7,084)
Cash outflow from decrease in lease finance	6,203	15,508
	<hr/>	<hr/>
Decrease in net funds	82,806	8,424
Net funds at 31 March 1999	441,396	432,972
	<hr/>	<hr/>
Net funds at 31 March 2000	524,202	441,396
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS****31 March 2000****15. ANALYSIS OF NET FUNDS**

	<b>31 March 1999 £</b>	<b>Cash flow £</b>	<b>31 March 2000 £</b>
Cash at bank and in hand	447,599	76,603	524,202
Borrowings	(6,203)	6,203	-
	<hr/>	<hr/>	<hr/>
<b>Net funds</b>	<b>441,396</b>	<b>82,806</b>	<b>524,202</b>
	<hr/>	<hr/>	<hr/>

**16. COMPANY STATUS**

The Company is incorporated under the Companies Act 1985 as a company limited by guarantee and not having any share capital. In the event of a winding up each member undertakes to contribute such an amount as may be required (not exceeding £2) to the companies assets if it should be wound up while he is a member, or within one year after he ceases to be a member, for payment of the companies debts and liabilities contracted before he ceased to be a member and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributions among themselves.

**17. EVENTS AFTER THE BALANCE SHEET DATE**

Manchester Chamber of Commerce and Industry entered into negotiations with Manchester TEC Limited during the year to operate a Joint Venture Company to deliver an integrated business support service and to bid for the new Government initiative, the Small Business Service. On 1<sup>st</sup> April 2000, the Joint Venture company, Chamber Business Enterprises Limited began trading. All business support services previously run by both Manchester Chamber of Commerce and Manchester TEC Limited will be run by Chamber Business Enterprises Limited. Fixed assets with a net book value of £184,835 will be transferred at net book value, together with subscription income paid in advance at par value as at 1 April 2000. Manchester Chamber of Commerce and Industry is the beneficial and registered owner of one of two issued shares in Chamber Business Enterprises Limited, the other share being held by Manchester TEC Limited