

STOCKPORT CHAMBER OF COMMERCE AND INDUSTRY

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE 15 MONTH PERIOD ENDED 31 MARCH 2003

Company Number: 00721563



STOCKPORT CHAMBER OF COMMERCE AND INDUSTRY

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STOCKPORT CHAMBER OF COMMERCE AND INDUSTRY

COMPANY INFORMATION

Board of Directors

President:	Mr. Malcolm Hurst
Honorary Treasurer	Mr. David Powell
Company Secretary	Mr. Tim Dennis
Chief Executive	Mr. Trevor Jones
	Mr. Liam Donnelly

Council

Mr. Tom Dunstan (resigned May 2002)	Mr. Malcolm Hurst
Miss. Veronica Robinson	Mrs. Dale Stafford
Mr. Tim Dennis	Mr. Bob Perkins
Mr. Frank Howard	Mr. Stephen Forbes (resigned December 2002)
Mr. Peter Atkinson	Mr. Liam Donnelly
Mr. Bill Daring	Mr. David Johnston
Mr. Nigel Anderton	Mr. Mike Hanson
Mr. David Hopkins	Mrs. Diane Jackson (resigned May 2002)
Mr. Norman Walker	Mr. David Powell
Mr. Peter Turner	Mr. Andrew Berry (appointed July 2002)
Mrs. Carol Folley (appointed March 2002)	Mr. Stephen Eccles (appointed January 2003)
Mr. David Abbott (appointed July 2002)	

Organisation Structure

Stockport Chamber of Commerce & Industry is a company limited by guarantee.

The Chamber is directed by a Board of Directors, comprising local businessmen and women, who are elected annually by Chamber member representatives at an Annual General Meeting, held in June. The Chief Executive Officer is also a member of the Board of Directors.

Day-to-day operations are managed by the Executive Director.

Strategic issues relating to the business of the Chamber are determined by the Chamber's Council, which consists of:

- (a) the Board of Directors
- (b) the three latest serving Past Presidents of the Chamber
- (c) nine duly elected members
- (d) Chairmen of Sector Groups
- (e) the serving President of Junior Chamber

Registered Office

Stockport Business Centre
1 St Peters Square
Stockport
SK1 1NN

Auditors

Mazars
Regent House
Heaton Lane
Stockport SK4 1BS

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the 15 month period ended 31 March 2003.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. 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;
- comply with applicable accounting standards 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 company will continue in business.

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

REVIEW OF THE BUSINESS

The principal activity of the Chamber continued to be that of a Trade Association and the Chamber is affiliated to the British Chambers of Commerce.

During the period the Chamber further raised its profile as the 'Voice of Businesses' and consolidated its range of members' services.

A more detailed report can be found in the Chamber's 'Annual Review' distributed to all its members with the annual general meeting papers.

The financial year end has been changed to 31 March, the financial statements presented are therefore for a 15 month period.

FUTURE DEVELOPMENTS

The Chamber will look to further develop its range of membership services and in particular continue to build its platform as the influential voice of business in the Metropolitan Borough of Stockport.

RESULTS

The results of the Chamber for the period ended 31 March 2003 are set out in the attached financial statements.

STOCKPORT CHAMBER OF COMMERCE AND INDUSTRY

REPORT OF THE DIRECTORS continued

The surplus for the period of £9180 has been added to reserves.

DIRECTORS

The directors set out below have held office during the whole of the period from 1 January 2002 to the date of this report, unless otherwise stated.

Directors' Names

T Dennis
L Donnelly
H M G Hurst
T Jones
D Powell

AUDITORS

On 1 September 2002 our auditors, Mazars Neville Russell, changed their name to Mazars. A resolution to re-appoint Mazars as auditors will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



T JONES
Director

Stockport Business Centre
1 St Peters Square
Stockport
SK1 1NN

11 May 2003.

AUDITORS' REPORT TO THE MEMBERS OF STOCKPORT CHAMBER OF COMMERCE AND INDUSTRY

We have audited the financial statements on pages 5 to 12, which have been prepared following the accounting policies set out on page 8.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's 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 the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors, who also act as trustees for the charitable activities of the company, are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 report of the directors is not consistent with the financial statements, if the company has not kept proper accounting records and if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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 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 the information and explanations which we considered necessary in order to provide us with sufficient, reliable and relevant 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 2003 and of its surplus for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



MAZARS

CHARTERED ACCOUNTANTS

and Registered Auditors

Regent House

Heaton Lane

Stockport

SK4 1BS

9 May 2003

STOCKPORT CHAMBER OF COMMERCE AND INDUSTRY

Income and Expenditure Account For the Period Ended 31 March 2003

		Period ended 31 March 2003		Year ended 31 December 2001	
	Notes	£	£	£	£
SERVICE INCOME					
Certification fees	4	72055		61776	
Social, business events & exhibitions	4	32352		21285	
Stockport Business Magazine	4	101157		79915	
Other service income	4	7455		7789	
SBV Fund		4025		-	
			217044		170765
OTHER OPERATING INCOME					
Members' subscriptions		111328		121889	
Membership Joining Fee		9722		4230	
Other publications		25313		19716	
Sundry income		8721		4661	
			155084		150496
			372128		321261
STAFF COSTS					
Wages and salaries	5 & 6	79610		64446	
Social security costs		6684		5649	
			86294		70095
DEPRECIATION OF TANGIBLE FIXED ASSETS					
			3025		3958
OTHER OPERATING CHARGES					
Certification costs	4	48562		42436	
Social, business events & exhibitions	4	22968		12609	
Stockport Business magazine	4	83484		69013	
Other service costs	4	3294		5213	
Marketing and public relations		1800		1747	
Occupancy charge		19478		15113	
Insurance		939		1641	
Affiliation fee		13209		10366	
Office repairs and renewals		3038		6208	
Postage and telephone		10603		10996	
Printing, stationery and publications		19933		21830	
Lease payments - office equipment		1135		908	
Subscriptions and donations		427		554	
Cleaning		1026		1049	
General and sundry expenses		10292		5787	
Staff welfare and canteen		672		1951	
Bad debts		799		3832	
Accountancy, including audit fee £705 (2001 £650)		3740		2780	
Legal and professional fees		1095		4652	
Staff training		30		1062	
Management charge		32565		8558	
Quality processes		3138		2306	
Grant clawback re: Technology club		3279		-	
			285506		230611
OPERATING (DEFICIT)/SURPLUS CARRIED FORWARD					
			(2697)		16597

STOCKPORT CHAMBER OF COMMERCE AND INDUSTRY

Income and Expenditure Account For the Period Ended 31 March 2003 (contd)

		Period ended 31 March 2003	Year ended 31 December 2001
		£	£
OPERATING (DEFICIT)/ SURPLUS BROUGHT FORWARD		(2697)	16597
Costs associated with exit from lease	13	9995	(12618)
Bank interest receivable		1920	1429
		<hr/>	<hr/>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		9218	5408
TAXATION	7	(38)	(143)
		<hr/>	<hr/>
SURPLUS AFTER TAXATION	11	<u>9180</u>	<u>5265</u>

The company has no recognised gains or losses other than the surplus for the year.

STOCKPORT CHAMBER OF COMMERCE AND INDUSTRY

Balance Sheet at 31 March 2003

	<u>Notes</u>	31 March <u>2003</u> £	31 December <u>2001</u> £
FIXED ASSETS			
Tangible assets	8	<u>521</u>	<u>3546</u>
CURRENT ASSETS			
Debtors	9	91653	59247
Stock		144	389
Current bank balance and cash in hand		225	206
Deposit bank balances		<u>74506</u>	<u>40000</u>
		166528	99842
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(117683)</u>	<u>(63202)</u>
NET CURRENT ASSETS		<u>48845</u>	<u>36640</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>49366</u>	<u>40186</u>
NET ASSETS		<u>49366</u>	<u>40186</u>
RESERVES	11	<u>49366</u>	<u>40186</u>

Approved by the board on 8th MAY 2003
(and signed on its behalf by)

T JONES

D POWELL

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)

Directors

**Notes to the Financial Statements
For the Period Ended 31 March 2003**

1. CONSTITUTION

The Stockport Chamber of Commerce and Industry is a company limited by guarantee and does not have share capital. The word "limited" is omitted from its title by licence of the Department of Trade and Industry.

2. ACCOUNTING POLICIES

a. Accounting convention

The financial statements are prepared under the historical cost convention.

a. Service income and subscriptions

Service income represents the amounts receivable in respect of services rendered by the Chamber. Subscriptions represent members subscriptions received appropriate to the financial year.

b. Depreciation

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives.

c. Grants

Grants received relating to capital expenditure are treated as deferred credits and credited to the income and expenditure account over the estimated useful life of the relevant fixed assets.

3. SERVICE INCOME AND SUBSCRIPTIONS

The service income, subscriptions and operating deficit are attributable to the principal activity, being that of a local trade association. The Chamber is registered for VAT and income is disclosed exclusive of VAT.

4. NET SERVICE CONTRIBUTION

Service income is shown in the Income and Expenditure account on a gross basis. On a net basis the relevant sources of income are as follows:

	Period ended 31 March <u>2003</u> £	Year ended 31 December <u>2001</u> £
<u>Certification</u>		
Fees	72055	61776
Costs	(48562)	(42436)
Contribution	<u>23493</u>	<u>19340</u>

**Notes to the Financial Statements
For the Period Ended 31 March 2003**

4. NET SERVICE CONTRIBUTION (continued)

	Period ended 31 March 2003 £	Year ended 31 December 2001 £
<u>Social Business Events and Exhibitions</u>		
Income	32352	21285
Costs	(22968)	(12609)
Contribution	<u>9384</u>	<u>8676</u>
<u>Stockport Business Magazine</u>		
Income	101157	79915
Costs	(83484)	(69013)
Contribution	<u>17673</u>	<u>10902</u>
<u>Other</u>		
Income	11480	7789
Costs	(3294)	(5213)
Contribution	<u>8186</u>	<u>2576</u>

5. STAFF COSTS

Staff costs are shown in the Income & Expenditure account on page 5.
Included in the cost of Stockport Business Magazine there are costs for one employee totalling £16,234 (2001 - £11,797), including social security costs of £1,109 (2001 - £772)

The average number of persons employed by the Chamber during the period was as follows:
Membership Services

<u>Number</u>	<u>Number</u>
<u>5</u>	<u>5</u>

6. DIRECTORS

	Period ended 31 March 2003 £	Year ended 31 December 2001 £
Included in staff costs is directors' remuneration as follows:		
Membership services	<u>42094</u>	<u>31513</u>

**Notes to the Financial Statements
For the Period Ended 31 March 2003**

7. TAXATION

Corporation tax is provided on interest received.

	Period ended 31 March <u>2003</u> £	Year ended 31 December <u>2000</u> £
Domestic current year tax		
U.K. Corporation tax	38	143
Current tax charge	<u>38</u>	<u>143</u>
Factors affecting the tax charge for the year		
Interest received	1920	1429
Interest received multiplied by standard rate of UK corporation tax of 0/10% (2001 – 10%)	38	143
Current tax charge	<u>38</u>	<u>143</u>

8. TANGIBLE FIXED ASSETS

	Computer Equipment £	Office Equipment & Furniture £	Total £
COST			
At 1 January 2002	20061	22675	42736
Disposals	(18425)	(21889)	(40314)
At 31 March 2003	<u>1636</u>	<u>786</u>	<u>2422</u>
ACCUMULATED DEPRECIATION			
At 1 January 2002	17642	21548	39190
Charge for the year	2419	606	3025
On disposals	(18425)	(21889)	(40314)
At 31 March 2003	<u>1636</u>	<u>265</u>	<u>1901</u>
NET BOOK VALUES			
At 31 March 2003	<u>-</u>	<u>521</u>	<u>521</u>
At 31 December 2001	<u>2419</u>	<u>1127</u>	<u>3546</u>
Depreciation rate	33.3%	20-25%	

**Notes to the Financial Statements
For the Period Ended 31 March 2003****9. DEBTORS DUE WITHIN ONE YEAR**

	31 March 2003 £	31 December 2001 £
Trade debtors	73451	53338
Prepayments and accrued income	18202	5909
	<u>91653</u>	<u>59247</u>

10. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	31 March 2003 £	31 December 2001 £
Bank overdraft	-	4704
Trade creditors	22750	5368
Corporation tax	38	143
Other taxation and social security costs	11315	4457
Other creditors	1000	1000
Accruals and deferred income	82580	47530
	<u>117683</u>	<u>63202</u>

11. RESERVES

	Income & Expenditure Account £
At 1 January 2001	34921
Surplus for the year	<u>5265</u>
At 1 January 2002	40186
Surplus for the period	<u>9180</u>
At 31 March 2003	<u>49366</u>

**Notes to the Financial Statements
For the Period Ended 31 March 2003**

12. RELATED PARTY TRANSACTIONS

Tim Dennis is a partner in Gorvins, solicitors. Stockport Chamber of Commerce and Industry acquired services amounting to £Nil (2001 - £6,932) and received income of £11,820 (2001 - £5,313) from Gorvins, of which £2,076 (2001 - £1,013) remained outstanding at the balance sheet date.

Malcolm Hurst is a partner in Hurst & Co, accountants. Stockport Chamber of Commerce and Industry received income of £3,917 (2001 - £2,181) from Hurst & Co, of which £1,378 (2001 - £Nil) remained outstanding at the balance sheet date.

These transactions have been conducted on an arms length basis.

13. EXCEPTIONAL ITEM

On 30 April 2001, the Chamber moved to a new location in 1 St Peter's Square, Stockport. Associated with this move the Chamber had incurred costs totalling £12,618.

The amount of £12,618 was to be recovered from Stockport TEC as a contribution towards removal costs. Recovery of this amount proved to be difficult, and the Directors considered it prudent to provide against this amount in 2001. In April 2003 Stockport TEC determined that an amount of £9,995 will be paid under this obligation, and this amount has been included in the period ended 31 March 2003.