

GUILFOYLE, SAGE & CO.

Chartered Accountants

REGISTRAR

**PLEASE SIGN
AND RETURN**

NEWPORT AND GWENT CHAMBER OF COMMERCE, ENTERPRISE
AND INDUSTRY LIMITED
Company Number 1687863

TAKEN BY HAND

29 OCT 2004

TO REGISTRAR

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004



**NEWPORT AND GWENT CHAMBER OF COMMERCE,
ENTERPRISE AND INDUSTRY LIMITED**

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 2004.

Principal Activities and Business Review

The principal activity of the company is to promote and encourage industrial and commercial activity or enterprise throughout the county of Gwent, with particular reference to encouraging the formation and development of small businesses. The company operates, as part of its activity, a number of workshop units available to assist the formation and development of small businesses.

Merger and Change of Name

On 1 April 2003 Newport and Gwent Enterprise merged with Newport Chamber of Commerce. On 12 May 2003, following a Special Resolution, Newport and Gwent Enterprise changed its name to Newport and Gwent Chamber of Commerce, Enterprise and Industry Limited.

Directors

The directors who held office during the year were :-

| | |
|---------------|----------------------|
| B F Hoppe | (Chairman) |
| D Hughes | |
| R Peachey | |
| A Wilkinson | |
| K Turnbull | (Resigned 14.11.03) |
| R H Poole | |
| W J Jenkins | |
| J Major | |
| M L Lynham | |
| G F Keighley | |
| D J Ludlow | |
| D Russ | |
| A J Fernandes | |
| G Edge | (Appointed 16.07.03) |
| R Brierley | (Appointed 16.07.03) |
| P Ledger | (Appointed 27.08.03) |

Financial Statements

The directors consider that, in view of the non profit making status of the company's activities, the terms "profit" and "loss" are not appropriate to giving a true and fair view. Accordingly, under the provisions of the Companies Act 1985, the term "profit and loss account" has been replaced by "income and expenditure account", and the words "profit" and "loss" by "surplus" and "deficit" respectively.

Statement of 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 judgments 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.

NEWPORT AND GWENT CHAMBER OF COMMERCE,
ENTERPRISE AND INDUSTRY LIMITED

DIRECTORS' REPORT (Continued)

The directors are responsible for keeping 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.

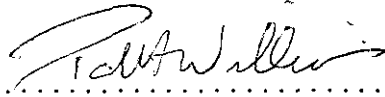
Auditors

The auditors, Guilfoyle, Sage & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

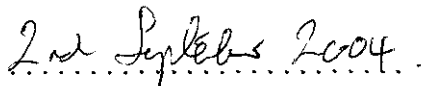
ON BEHALF OF THE BOARD:

Secretary



P. H. Williams

Dated:



NEWPORT AND GWENT CHAMBER OF COMMERCE,
ENTERPRISE AND INDUSTRY LIMITED

Report of the Independent Auditors to the Members of
NEWPORT AND GWENT CHAMBER OF COMMERCE,
ENTERPRISE AND INDUSTRY LIMITED

We have audited the financial statements of Newport and Gwent Enterprise for the year ended 31 March 2004 on pages four to nine. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page one the company's directors are responsible for the preparation of 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, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

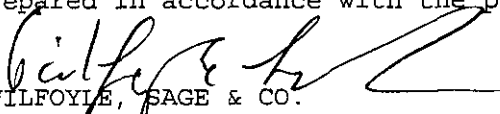
Basis of opinion

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 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 at 31 March 2004 and of its surplus of income over expenditure for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.


GUILFOYLE, SAGE & CO.
Registered Auditor
Chartered Accountants
21 Gold Tops
Newport, NP20 4PG

Dated: 22 OCTOBER 2004

NEWPORT AND GWENT CHAMBER OF COMMERCE,
ENTERPRISE AND INDUSTRY LIMITED

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2004

| | Notes | 2004 £ | 2003 £ |
|---|-------|-----------|-----------|
| TURNOVER | | 3,093,182 | 2,514,434 |
| Net operating expenses | 3 | 2,837,317 | 2,289,748 |
| | | ----- | ----- |
| OPERATING SURPLUS | | 255,865 | 224,686 |
| Interest receivable | 4 | 20,282 | 18,130 |
| | | ----- | ----- |
| SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION | | 276,147 | 242,816 |
| Taxation | 5 | 55,701 | 48,129 |
| | | ----- | ----- |
| SURPLUS FOR THE YEAR | | 220,446 | 194,687 |
| | | ===== | ===== |

The notes form part of these financial statements

NEWPORT AND GWENT CHAMBER OF COMMERCE,
ENTERPRISE AND INDUSTRY LIMITED

BALANCE SHEET AT 31 MARCH 2004

| | Notes | 2004 £ | 2003 £ |
|---------------------------------------|-------|-----------|-----------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | 206,868 | 179,231 |
| | | ----- | ----- |
| CURRENT ASSETS | | | |
| Debtors | 7 | 354,399 | 501,635 |
| Cash at bank and in hand | | 1,188,450 | 592,121 |
| | | ----- | ----- |
| | | 1,542,849 | 1,093,756 |
| CURRENT LIABILITIES - CREDITORS: | | | |
| Amounts falling due within one year | 8 | 811,657 | 618,296 |
| | | ----- | ----- |
| NET CURRENT ASSETS | | 731,192 | 475,460 |
| | | ----- | ----- |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 938,060 | 654,691 |
| | | ----- | ----- |
| NET ASSETS | | 938,060 | 654,691 |
| | | ===== | ===== |
| | | | |
| CAPITAL AND RESERVES | | | |
| Called-up share capital | 9 | - | - |
| Income and expenditure account | 10 | 938,060 | 654,691 |
| | | ----- | ----- |
| | | 938,060 | 654,691 |
| | | ===== | ===== |

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD



B. F. HOPPE - Director

Approved by the Board on 20th July 2004.....

The notes form part of these financial statements

NEWPORT AND GWENT CHAMBER OF COMMERCE,
ENTERPRISE AND INDUSTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Tangible Fixed Assets

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation.

Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives at the following rates:-

| | |
|---|--------------------------------------|
| Short term leasehold land and buildings | Over the unexpired term of the lease |
| Fixtures, fittings and equipment | 20% per annum |

Grants and Donations

Grants and donations are taken to the income and expenditure account when received. Block donations are treated as deferred income, and credited to the income and expenditure account over the terms of three or five years. Other donations are taken to the income and expenditure account when received.

Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company.

NEWPORT AND GWENT CHAMBER OF COMMERCE,
ENTERPRISE AND INDUSTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OPERATING SURPLUS

| | 2004 | 2003 |
|---|--------|--------|
| | £ | £ |
| The operating surplus is stated after charging: | | |
| Directors' emoluments & other benefits | 58,785 | 51,224 |
| Depreciation - owned assets | 57,079 | 43,095 |
| Auditors' remuneration | 5,775 | 5,500 |
| | ===== | ===== |

4. INTEREST RECEIVABLE

| | 2004 | 2003 |
|--------------------------|----------|----------|
| Deposit account interest | £ 20,282 | £ 18,130 |
| | ===== | ===== |

5. TAXATION

The tax charge on the surplus on ordinary activities for the year was as follows:-

| | 2004 | 2003 |
|---------------------------|----------|----------|
| UK corporation tax charge | £ 55,701 | £ 48,129 |
| | ===== | ===== |

6. TANGIBLE FIXED ASSETS

| | Short term Leasehold Land and Buildings £ | Fixtures Fittings and Equipment £ | Total £ |
|---------------------------------|---|---|------------|
| Cost | | | |
| At 1 April 2003 | 343,315 | 251,022 | 594,337 |
| Arising on merger (see note 13) | - | 1,422 | 1,422 |
| Additions | 17,829 | 66,250 | 84,079 |
| | ----- | ----- | ----- |
| At 31 March 2004 | 361,144 | 318,694 | 679,838 |
| | ----- | ----- | ----- |
| Depreciation | | | |
| At 1 April 2003 | 300,802 | 114,304 | 415,106 |
| Arising on merger (see note 13) | - | 785 | 785 |
| Charge for the year | 8,304 | 48,775 | 57,079 |
| | ----- | ----- | ----- |
| At 31 March 2004 | 309,106 | 163,864 | 472,970 |
| | ----- | ----- | ----- |
| Net Book Value | | | |
| At 31 March 2004 | 52,038 | 154,830 | 206,868 |
| | ===== | ===== | ===== |
| At 31 March 2003 | 42,513 | 136,718 | 179,231 |
| | ===== | ===== | ===== |

NEWPORT AND GWENT CHAMBER OF COMMERCE,
ENTERPRISE AND INDUSTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2004 £ | 2003 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | 325,738 | 472,343 |
| Other debtors | 24,161 | 24,792 |
| Prepayments and accrued income | 4,500 | 4,500 |
| | ----- | ----- |
| | 354,399 | 501,635 |
| | ===== | ===== |

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2004 £ | 2003 £ |
|------------------------------------|-----------|-----------|
| Returnable deposits | 70,113 | 65,207 |
| Trade creditors | 48,238 | 45,226 |
| Corporation tax | 55,701 | 48,129 |
| Other taxation and Social Security | 208,433 | 77,234 |
| Accruals and other creditors | 429,172 | 382,500 |
| | ----- | ----- |
| | 811,657 | 618,296 |
| | ===== | ===== |

9. CALLED-UP SHARE CAPITAL

The company is a company limited by guarantee and does not have a share capital.

10. INCOME AND EXPENDITURE ACCOUNT

| | 2004 £ | 2003 £ |
|---------------------------------|-----------|-----------|
| Brought forward at 1 April | 654,691 | 460,004 |
| Arising on merger (see note 13) | 62,923 | - |
| Surplus for the year | 220,446 | 194,687 |
| | ----- | ----- |
| Carried forward at 31 March | 938,060 | 654,691 |
| | ===== | ===== |

NEWPORT AND GWENT CHAMBER OF COMMERCE,
ENTERPRISE AND INDUSTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. SMALL BUSINESS LOAN FUND

| | 2004 £ | 2003 £ |
|-----------------------------|-----------|-----------|
| Brought forward at 1 April | 96,809 | 100,000 |
| Received in the year | - | - |
| Applied during the year | (9,349) | (3,191) |
| | ----- | ----- |
| Carried forward at 31 March | 87,460 | 96,809 |
| | ===== | ===== |

During the financial year ended 31 March 2002 the company received an advance in the sum of £100,000 for the purpose of making loans and other interest investments to small businesses based within the company's operating area to assist with the working and development capital requirements of such businesses. As the company has no economic nor beneficial interest in the advance, it has been maintained separately from the other assets of the company and has not been included in the balance sheet. The company's responsibility is to administer the monies in accordance with the terms of the advance.

12. RELATED PARTY DISCLOSURES

Mr R Peachey, a director, is a partner in Peachey's Chartered Accountants. During the year Peachey's Chartered Accountants provided services to the value of £8,813 to Newport and Gwent Chamber of Commerce, Enterprise and Industry Limited.

All transactions were carried out at arms' length and on normal business terms.

13. AMOUNTS ARISING ON MERGER

On 1 April 2003 the assets, liabilities and trading activity of Newport Chamber of Commerce were amalgamated with those of Newport and Gwent Enterprise. Balances brought forward from Newport Chamber of Commerce at 31 March 2003 are stated separately within fixed assets and the income and expenditure account.

NEWPORT AND GWENT CHAMBER OF COMMERCE,
ENTERPRISE AND INDUSTRY LIMITED

DETAILED OPERATING STATEMENT

FOR THE YEAR ENDED 31 MARCH 2004

| | 2004 £ | 2003 £ |
|---------------------------------------|-----------|-----------|
| INCOME | | |
| Sponsorship | 2,200 | 2,200 |
| Training & Enterprise Contracts | 2,721,233 | 2,073,396 |
| | ----- | ----- |
| | 2,723,433 | 2,075,596 |
| Rent, management fees & sundry income | 369,749 | 438,838 |
| Interest | 20,282 | 18,130 |
| | ----- | ----- |
| | 3,113,464 | 2,532,564 |
| | ----- | ----- |
| EXPENSES | | |
| Directors' remuneration | 56,160 | 48,932 |
| Salaries, wages and Social Security | 1,316,853 | 921,343 |
| | ----- | ----- |
| | 1,373,013 | 970,275 |
| | ----- | ----- |
| ESTABLISHMENT EXPENSES | | |
| Housekeeping | 23,004 | 31,343 |
| Electricity and gas | 16,450 | 15,560 |
| Maintenance | 24,454 | 28,185 |
| Rent, rates and insurance | 121,765 | 120,635 |
| | ----- | ----- |
| | 185,673 | 195,723 |
| | ----- | ----- |
| ADMINISTRATIVE EXPENSES | | |
| Postage, stationery and telephone | 134,612 | 71,016 |
| Training expenses | 621,041 | 721,729 |
| Advertising and promotions | 103,174 | 107,030 |
| Consultancy | 110,907 | 49,802 |
| Legal and professional | 2,436 | 11,138 |
| Audit | 5,775 | 5,500 |
| Travelling | 70,831 | 51,565 |
| Net non attributable VAT | 27,458 | 8,202 |
| Bad debts | 7,841 | 5,418 |
| Hire of equipment | 59,505 | 41,566 |
| Bank charges | 205 | 219 |
| Sundry | 5,541 | 7,470 |
| Special projects | 72,226 | - |
| | ----- | ----- |
| | 1,221,552 | 1,080,655 |
| | ----- | ----- |
| Depreciation | 57,079 | 43,095 |
| | ----- | ----- |
| | 2,837,317 | 2,289,748 |
| | ----- | ----- |
| SURPLUS BEFORE TAXATION | 276,147 | 242,816 |
| | ===== | ===== |

This page does not form part of the statutory financial statements