

The Portman Group
(Registered Number 2184853)

Directors' Report and Financial Statements

31 December 2001



The Portman Group

Directors' Report for the Year Ended 31 December 2001

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2001.

Directors

The following served as directors during the year ended 31 December 2001:

G Cambournac	(resigned 13 February 2002)
PC Duffy	(appointed 13 February 2002)
JHW Fairweather	
AG Froggatt	(resigned 21 January 2002)
T M Furse	(appointed 12 February 2002)
SC Gilliland	(appointed 23 April 2001)
DC Goulding	
MJ Hughes	(resigned 14 November 2001)
PMR Kendall	(appointed 8 May 2002)
Mrs JE Mussared	(resigned 16 August 2001)
I Napier	(resigned 16 August 2001)
CJM Searle	

Secretary

MD Peters	(resigned 1 January 2001)
J Higgins	(appointed 1 January 2001, resigned 1 December 2001)
JM Sarll	(appointed 1 December 2001)

Guarantee

The Company is limited by guarantee and had seven guarantors at 31 December 2001. Each guarantee is for £1.

Results

The loss for the year after taxation amounted to £21,730 (2000 - £17,185 profit) and has been transferred to reserves.

Review of the business and future developments

The Company is pleased with the progress The Portman Group has made in developing programmes to encourage sensible drinking, to help prevent alcohol misuse, and to foster a balanced understanding of alcohol-related issues. The emphasis has been on public education campaigns to promote responsible drinking and on encouraging social responsibility within the industry. The Portman Group has continued to commission and fund research and evaluations of its work

The Directors are satisfied that Ms J Coussins and her staff are effectively putting into practice the strategy laid down by the council.

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Directors' Report for the Year Ended 31 December 2001 (Continued)

Statement of Directors' responsibilities

The Directors are required by the Companies Act 1985 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 profit or loss of the Company for the financial year.

The Directors consider that in preparing the financial statements on pages 4 to 9 the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and that all accounting standards which they consider to be applicable have been followed.

The Directors have responsibility for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office, a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board



J M Sarll
Secretary

2nd October 2002

Independent auditors' report to the members of the Portman Group

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 directors' 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 directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London
14 October 2002

The Portman Group

Profit and Loss Account for the Year Ended 31 December 2001

	<i>Note</i>	2001 £	2000 £
Membership fees and other income	3	1,894,619	2,114,567
Administrative expenses	4	(1,917,412)	(2,075,763)
(Loss)/profit on ordinary activities before taxation		(22,793)	38,804
Taxation	5	1,063	(21,619)
Profit/(loss) for the financial year	9	(21,730)	17,185

The above information represents all recognised gains and losses for the financial year.

The movement on reserves is shown in note 9 to the financial statements.

The notes on pages 7 to 9 form part of these financial statements.

The Portman Group

Balance Sheet at 31 December 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	6	50,719	91,439
Current assets			
Debtors	7	88,954	120,612
Cash at bank and in hand		101,632	17,006
		190,586	137,618
Creditors - amounts falling due within one year	8	(329,281)	(295,302)
Net current liabilities		(138,695)	(157,685)
Total assets less current liabilities		(87,976)	(66,246)
Represented by:			
Profit and loss account	9	(87,976)	(66,246)

Approved by the Board on 2nd October 2002

Director



The notes on pages 7 to 9 form part of these accounts.

The Portman Group

Reconciliation of Movement in Shareholders' Funds

	2001 £	2000 £
(Loss)/profit for the financial year	(21,730)	17,185
Net (reduction)/increase in shareholders' funds	(21,730)	17,185
Opening shareholders' funds	(66,246)	(83,431)
Closing shareholders' funds	(87,976)	(66,246)

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Notes to the Financial Statements – 31 December 2001

1 Financial support

The guarantors have undertaken to provide financial assistance to the Company to enable it to meet its obligations as they fall due in the foreseeable future.

2 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on fixtures and fittings and office machinery on a straight line basis at a rate of 33% of initial cost.

3 Membership fees

Membership fees arise in the United Kingdom and are shown net of value added tax.

4 Administrative expenses

	2001 £	2000 £
Auditor's remuneration – for audit services	5,500	3,500
Depreciation	55,889	55,446
Employee costs	472,490	490,202

Employee costs comprise amounts recharged from certain of the guarantors, for services of their staff in respect of the affairs of the Company.

The Directors received no emoluments in respect of their services to the Company during the year.

5 Taxation

	2001 £	2000 £
Corporation tax at 10% (2000 – 21%)	544	15,300
(Over)/Under provision in respect of prior years	(1,607)	6,319
	(1063)	21,619

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Notes to the Financial Statements – 31 December 2001

6 Fixed assets

	Fixtures & fittings £	Office machinery £	Total £
Cost			
At 1 January 2001	175,905	117,667	293,572
Additions	-	15,170	15,170
At 31 December 2001	175,905	132,837	308,742
Accumulated depreciation			
At 1 January 2001	99,973	102,160	202,133
Charge for the period	37,938	17,952	55,890
At 31 December 2001	137,911	120,112	258,023
Net book amount			
31 December 2001	37,994	12,725	50,719
31 December 2000	75,932	15,507	91,439

7 Debtors

	2001 £	2000 £
Trade debtors	1,465	78,958
VAT recoverable	47,335	-
Prepayments and other debtors	40,154	41,654
	88,954	120,612

8 Creditors (amounts falling due within one year)

	2001 £	2000 £
Trade creditors	294,531	82,836
Corporation tax	544	15,300
Social security and other taxes	-	39,486
Accruals	34,206	157,680
	329,281	205,302

The Portman Group

Notes to the Financial Statements – 31 December 2001

9 Profit and loss account

	2001 £
At 1 January 2001	(66,246)
Loss for the financial year	(21,730)
At 31 December 2001	(87,976)

10 Cash flow statement

The company has taken advantage of the provisions in FRS 1 to not prepare a cash flow statement on the grounds that it is a small company as defined by the Companies Act.

11 Pension

The company makes contributions to a defined contribution pension scheme on behalf of the employees of the guarantors who provide services to the company.

	2001 £	2000 £
Contributions to defined contribution pension scheme	29,461	32,254

12 Guarantors

The Portman Group is a Company limited by guarantee and has seven guarantors. Each guarantee is for £1.