

St Helens Chamber Limited
Company Limited by Guarantee

FINANCIAL STATEMENTS

for the year ended

31 March 2007

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COMPANIES HOUSE

Company Registration No 2453212

St Helens Chamber Limited
Company Limited by Guarantee
OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P A Bacon
K E Boullen
M J Doyle
S M Gange
A M Harrison
R C Hepworth
J N Rushbrooke
V Taylor
W G Worsley
R C Young
K Lowe
A G R Poole
B T Spencer
K E Hart
R H Hamulton
S W R Smith

SECRETARY

C M Gravener

REGISTERED OFFICE

7 Waterside Court
Technology Campus
St Helens
WA9 1UE

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
Number One
Old Hall Street
Liverpool
L3 9SX

St Helens Chamber Limited

Company Limited by Guarantee

DIRECTORS' REPORT

The directors submit their report and financial statements of St Helens Chamber Limited for the year ended 31 March 2007

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was to provide the following services for the Borough of St Helens

- A Chamber of Commerce, representing the interests of its Members locally, regionally and nationally
- An Enterprise Agency, supporting the formation and growth of local businesses through the provision of advice, training and information services
- Providing and promoting vocational education and training and retraining to improve the skills of the workforce and those seeking employment
- Promoting the development of industry, commerce and enterprise in all forms for the benefit of the community

REVIEW OF THE BUSINESS

The company is a not for profit organisation. Although profit is not the main objective of the company, it aims to expand the level of services provided whilst remaining viable with a positive bottom line. To manage this, the company uses turnover and profit before taxation against budget as key performance indicators. The budget is updated twice during the year to ensure performance can be monitored accurately. This year the turnover which grew by over 40% was within 1.5% of budget and profit before taxation was within 10% of budget.

The profit and loss statement on page 8 shows that this year a retained profit of £252k has been achieved, compared to £123k in the previous year. This represents 3.1% of turnover compared to 2.2% the previous year. This level of retained profits is consistent with the Chamber's policy of investing in the St Helens economy, whilst maintaining adequate reserves.

The balance sheet on page 9 shows that the company has increased its strong reserves position. The company financed its operations in the year with a strong working capital position, in particular cash and short-term money market deposits being £1.34m at the year end. The company has no bank loans or overdrafts.

FUTURE DEVELOPMENTS

The directors anticipate that the Company will trade profitably for the foreseeable future, with 2007/2008 results again showing increases in activity.

The most significant development is that the company is planning to purchase a new Enterprise Centre in the town centre in September 2008, to contain the Chamber offices, a Training Centre and an Enterprise Greenhouse.

PRINCIPAL RISKS AND UNCERTAINTIES

Overall the future looks very positive. The principal risks of the business surround our ability to win and retain contracts from a variety of sources, and the ability to scale the organisation accordingly.

The company manages the risk by detailed strategic and operational planning with reviews on a fortnightly basis.

St Helens Chamber Limited

Company Limited by Guarantee

DIRECTORS' REPORT

DIRECTORS

The directors who served the company during the year were as follows

P A Bacon	
K E Boullen	
M J Doyle	
S M Gange	
A M Harrison	
R C Hepworth	
J N Rushbrooke	
V Taylor	
W G Worsley	
R C Young	
K Lowe	
A G R Poole	
M E Rimmer	(Retired 23 May 2006)
B T Spencer	(Appointed 23 May 2006)
K E Hart	(Appointed 26 September 2006)
R H Hamilton	(Appointed 26 September 2006)
S W R Smith	(Appointed 26 September 2006)
B J Pilling	(Retired 26 September 2006)
E J Shew	(Retired 26 September 2006)
A Smith	(Retired 26 September 2006)

St Helens Chamber Limited

Company Limited by Guarantee

DIRECTORS' REPORT

INTERNAL CONTROL

The directors comply with the Combined Code of Practice in respect of the company's internal controls as follows

The Board has overall responsibility for the company's system of financial control, which is designed to provide the Board with reasonable, but not absolute assurance against material misstatement or loss

The key features of the system are as follows

- 1 The overall financial objectives of the company are agreed by the Board, which delegates day to day management responsibilities to the Chief Executive and Senior Management Team who meet fortnightly
- 2 The Board controls the running of the company through sub-groups, authorised by the Board to make operational decisions
- 3 The Chamber Remuneration Sub Group considers and approves employee Terms and Conditions, the overall salary budget and senior staff remuneration packages The membership of the Remuneration Sub Group is -
R H Hamilton
J N Rushbrooke
W G Worsley
- 4 The company has a comprehensive system for reporting financial results and compares monthly results with the budget The results are presented bi-monthly to the Board Detailed budgets are prepared each year and are reviewed by the Board before being formally adopted Twice a year forecasts of year end performance are considered by the Board
- 5 Key procedures and controls are set out in ISO 9000 (2000 series) manuals, and the quality and integrity of personnel is maintained by adherence to the Investors in People standard
- 6 The company has a clearly defined framework for the approval of capital expenditure This includes authorisation limits detailing which proposals require submission to the Chief Executive, the Chairman or the Board procedures are in place to safeguard the company's assets against unauthorised use or disposal
- 7 The internal audit function assesses the risk and reviews controls based on a three year plan The internal audit function routinely checks contract compliance and reports its findings to the Audit Sub Group

The Audit Sub Group has reviewed the effectiveness of the internal control system in existence for the year ended 31 March 2007

The Sub Group has concluded that the control systems are operating effectively The Board of directors has endorsed this conclusion

St Helens Chamber Limited
Company Limited by Guarantee
DIRECTORS' REPORT

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

By order of the board

K. E. Boullen

K E Boullen

Director

24/07

St Helens Chamber Limited

Company Limited by Guarantee

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 these financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c 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 keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST HELENS CHAMBER LIMITED

We have audited the financial statements on pages 8 to 17

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 directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Baker Tilly UK Audit LLP

Baker Tilly UK Audit LLP
Registered Auditor
Chartered Accountants
Number One Old Hall Street
Liverpool
L3 9SX

16 August '07

St Helens Chamber Limited
Company Limited by Guarantee
PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2007

		2007	2006
	Notes	£	£
TURNOVER	1	8,121,614	5,627,032
Cost of sales		(6,644,807)	(4,494,318)
Gross profit		1,476,807	1,132,714
Administrative expenses		(1,287,531)	(1,081,916)
Other operating income	2	60,225	51,164
OPERATING PROFIT	3	249,501	101,962
Interest receivable		66,105	56,241
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		315,606	158,203
Taxation	6	(63,426)	(35,382)
RETAINED PROFIT FOR THE FINANCIAL YEAR		252,180	122,821

The operating profit for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

St Helens Chamber Limited
Company Limited by Guarantee
BALANCE SHEET
31 March 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible assets	7	1,183,820	1,146,289
CURRENT ASSETS			
Debtors	8	1,081,059	1,270,227
Investments	9	800,000	900,000
Cash at bank		538,759	489,846
		2,419,818	2,660,073
CREDITORS			
Amounts falling due within one year	10	(1,146,348)	(1,589,117)
NET CURRENT ASSETS		1,273,470	1,070,956
TOTAL ASSETS LESS CURRENT LIABILITIES		2,457,290	2,217,245
PROVISIONS FOR LIABILITIES			
Provisions	11	(23,000)	—
Government grants	12	(982,264)	(1,017,399)
		1,452,026	1,199,846
RESERVES			
Profit and loss account	16	1,452,026	1,199,846
MEMBERS' FUNDS		1,452,026	1,199,846

The financial statements on pages 8 to 17 were approved by the board of directors and authorised for issue on 24/1/07 and are signed on their behalf by

K.E. Boullen

K E Boullen

St Helens Chamber Limited
Company Limited by Guarantee
CASH FLOW STATEMENT
for the year ended 31 March 2007

		2007	2006
	<i>Notes</i>	£	£
Net cash flow from operating activities	18 a	48,262	247,964
Returns on investments and servicing of finance	18 b	66,105	56,241
Taxation	18 b	(37,075)	(20,054)
Capital expenditure and financial investment	18 b	(128,379)	(24,667)
CASH INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		(51,087)	259,484
MANAGEMENT OF LIQUID RESOURCES			
Cash withdrawn from other liquid investments		100,000	10,000
INCREASE IN CASH IN THE PERIOD	18 c	<u>48,913</u>	<u>269,484</u>

St Helens Chamber Limited

Company Limited by Guarantee

ACCOUNTING POLICIES

for the year ended 31 March 2007

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

TURNOVER

The turnover shown in the profit and loss account is income primarily derived from projects delivered under publicly funded contracts during the year

Any amounts received in advance of service delivery are treated as deferred income. Income from projects delivered during the year which is yet to be invoiced is treated as accrued income

FIXED ASSETS

All fixed assets are initially recorded at cost

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Land and buildings	- 40 years straight line (land not depreciated)
Fixtures, Fittings and equipment	- 5 years straight line
Motor Vehicles	- 4 years straight line
Computer and office equipment	- 2 to 7 years straight line

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

LIQUID RESOURCES

For the purposes of the cash flow statement, liquid resources include treasury deposits with a fixed term of more than one day

PENSIONS

The company operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs is the contribution payable in the year.

GOVERNMENT GRANTS

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the estimated useful life of the assets to which they relate. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

INVESTMENTS

Current asset investments are stated at lower of cost and net realisable value

PROVISIONS

Provision is made for liabilities arising out of contractual obligations for dilapidation costs on property leases

St Helens Chamber Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2007

1 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2007	2006
	£	£
United Kingdom	<u>8,121,614</u>	<u>5,627,032</u>

2 OTHER OPERATING INCOME

	2007	2006
	£	£
Other operating income	<u>60,225</u>	<u>51,164</u>

3 OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2007	2006
	£	£
Amortisation of government grants	(43,376)	(50,150)
Depreciation of owned fixed assets	103,219	90,310
Profit on disposal of fixed assets	(4,130)	—
Auditor's remuneration		
- as auditor	14,100	12,925
- for other services	1,757	5,118
Operating lease costs		
Other	<u>83,644</u>	<u>83,312</u>

4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2007	2006
	No	No
Delivery	93	72
Management and administration	<u>22</u>	<u>19</u>
	<u>115</u>	<u>91</u>

The aggregate payroll costs of the above were

	2007	2006
	£	£
Wages and salaries	2,631,165	2,019,843
Social security costs	260,620	202,184
Other pension costs	188,345	143,677
	<u>3,080,130</u>	<u>2,365,704</u>

St Helens Chamber Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2007

5 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2007	2006
	£	£
Emoluments receivable	99,890	89,456
Value of company pension contributions to money purchase schemes	9,714	8,693
	<u>109,604</u>	<u>98,149</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2007	2006
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2007	2006
	£	£
Current tax		
UK Corporation tax based on the results for the year at 30% (2006 - 19%)	61,017	34,666
Under provision in prior year	2,409	716
Total current tax	<u>63,426</u>	<u>35,382</u>

(b) Factors affecting current tax charge

	2007	2006
	£	£
Profit on ordinary activities before taxation	<u>315,606</u>	<u>158,203</u>
Profit on ordinary activities by rate of tax of 30% (2006 – 19%)	94,682	30,059
Net income not chargeable for tax purposes	(12,816)	(7,016)
Depreciation for the period in excess of capital allowances	11,814	11,623
Small companies relief	(32,663)	-
Adjustments to tax charge in respect of previous periods	2,409	716
Total current tax (note 6(a))	<u>63,426</u>	<u>35,382</u>

St Helens Chamber Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2007

7 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Fixtures, fittings and equipment £	Motor Vehicles £	Computer equipment £	Total £
Cost					
At 1 April 2006	1,184,212	35,449	48,799	302,967	1,571,427
Additions	–	9,256	–	134,097	143,353
Disposals	–	–	–	(4,806)	(4,806)
At 31 March 2007	<u>1,184,212</u>	<u>44,705</u>	<u>48,799</u>	<u>432,258</u>	<u>1,709,974</u>
Depreciation					
At 1 April 2006	122,411	27,366	23,991	251,370	425,138
Charge for the year	27,355	4,004	10,025	61,835	103,219
On disposals	–	–	–	(2,203)	(2,203)
At 31 March 2007	<u>149,766</u>	<u>31,370</u>	<u>34,016</u>	<u>311,002</u>	<u>526,154</u>
Net book value					
At 31 March 2007	<u>1,034,446</u>	<u>13,335</u>	<u>14,783</u>	<u>121,256</u>	<u>1,183,820</u>
At 31 March 2006	<u>1,061,801</u>	<u>8,083</u>	<u>24,808</u>	<u>51,597</u>	<u>1,146,289</u>

8 DEBTORS

	2007 £	2006 £
Trade debtors	411,337	688,225
Other debtors	1,683	–
Prepayments and accrued income	668,039	582,002
	<u>1,081,059</u>	<u>1,270,227</u>

9 INVESTMENTS

	2007 £	2006 £
Other investments	<u>800,000</u>	<u>900,000</u>

10 CREDITORS Amounts falling due within one year

	2007 £	2006 £
Trade creditors	124,719	133,227
Corporation tax	61,017	34,666
Other taxation and social security	96,757	80,074
Accruals and deferred income	863,855	1,341,150
	<u>1,146,348</u>	<u>1,589,117</u>

St Helens Chamber Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2007

11 PROVISIONS

	2007 £
Provision for dilapidation costs	<u>23,000</u>

The provision relates to dilapidation costs in respect of property leases

12 GOVERNMENT GRANTS

	2007 £	2006 £
Received and receivable		
At 1 April 2006	1,017,399	1,045,131
Receivable during year	<u>8,241</u>	<u>22,418</u>
	1,025,640	1,067,549
Amortisation		
Credit to profit and loss account	<u>(43,376)</u>	<u>(50,150)</u>
Net balance at 31 March 2007	<u>982,264</u>	<u>1,017,399</u>

13 RELATED PARTY TRANSACTIONS

During the year the company had transactions in excess of £15,000, which has been considered to be material to both parties, to the following entities which were board members of the company or in which directors of the company had significant interest

	2007 £	2006 £
The amount credited to the P&L amount to		
St Helens College	130,076	79,495
St Helens Council	3,594,234	80,668
Pilkington plc	25,500	25,000
Helena Housing Association	<u>22,571</u>	<u>31,986</u>

	2007 £	2006 £
The amount charged to the P&L amount to		
St Helens College	25,613	25,586
St Helens Council	<u>125,537</u>	<u>86,270</u>

	2007 £	2006 £
At the year end the following amounts were due to St Helens Chamber Limited		
St Helens College	15,740	—
St Helens Council	25,292	30,529
Helena Housing	<u>5,000</u>	<u>—</u>

St Helens Chamber Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2007

14 COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and therefore has no share capital. Each member's liability is limited to £1.

15 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2007 the company had annual commitments under non-cancellable operating leases as set out below:

	2007		2006	
	Land and buildings	Other £	Land and buildings £	Other £
Operating leases which expire				
Within 1 year	15,000	-	-	-
Within 2 to 5 years	39,500	-	-	-
After more than 5 years	-	-	-	-
	<u>54,500</u>	<u>-</u>	<u>-</u>	<u>-</u>

16 PROFIT AND LOSS ACCOUNT

	2007 £	2006 £
At 1 April 2006	1,199,846	1,077,025
Retained profit for the financial year	<u>252,180</u>	<u>122,821</u>
At 31 March 2007	<u>1,452,026</u>	<u>1,199,846</u>

17 CONTINGENT LIABILITIES

The company has received grants of £1,138,666 (2006 - £1,138,666) towards the purchase and refurbishment of an Adult Guidance Centre. There is a contingent liability on the company, and any successor, to repay the grant should the Centre be sold or used for a purpose other than that for which the grant was approved.

18 CASH FLOWS

a Reconciliation of operating profit to net cash inflow from operating activities

	2007 £	2006 £
Operating profit	249,501	101,962
Depreciation	103,219	90,310
Profit on disposal of fixed assets	(4,130)	-
Amortisation of government grants	(43,376)	(50,150)
Decrease/(increase) in debtors	189,168	(326,808)
(Decrease)/increase in creditors	(469,120)	432,650
Increase in provisions	23,000	-
Net cash inflow from operating activities	<u>48,262</u>	<u>247,964</u>

St Helens Chamber Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2007

18 CASH FLOWS *(continued)*

b Analysis of cash flows for headings netted in the cash flow

Returns on investment and servicing of finance

	2007	2006
	£	£
Interest received	66,105	56,241
Net cash inflow from returns on investments and servicing of finance	66,105	56,241

Taxation

	2007	2006
	£	£
Taxation	(37,075)	(20,054)

Capital expenditure

	2007	2006
	£	£
Payments to acquire tangible fixed assets	(143,353)	(47,085)
Receipts from sale of fixed assets	6,733	-
Receipt of grant	8,241	22,418
Net cash outflow from capital expenditure	(128,379)	(24,667)

c RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2007	2006
	£	£
Increase in cash in the period	48,913	269,484
Cash used to decrease liquid resources	(100,000)	(10,000)
CHANGE IN NET FUNDS	(51,087)	259,484
NET FUNDS AT 1 APRIL 2006	1,389,846	1,130,362
NET FUNDS AT 31 MARCH 2007	1,338,759	1,389,846

d Analysis of net funds

	At 1 Apr 2006	Cash flows	At 31 Mar 2007
	£	£	£
Cash in hand and at bank	489,846	48,913	538,759
Current asset investments	900,000	(100,000)	800,000
Total	1,389,846	(51,087)	1,338,759