

Registered No. 2453212

**Report of the Directors and
Financial Statements for the Year Ended 31 March 1997
for
St Helens Chamber of Commerce, Training
and Enterprise Limited**



**St Helens Chamber of Commerce, Training
and Enterprise Limited**

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for the Year Ended 31 March 1997**

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**St Helens Chamber of Commerce, Training
and Enterprise Limited**

**Company Information
for the Year Ended 31 March 1997**

| | |
|----------------------------|---|
| DIRECTORS: | MJ Doyle Mrs CA Hudson JM Mackinnon Mrs B Myddleton-Jones J Taylor J West S Cupples Prof. GW Ashworth WE Guest P Hulmes F Corless JC Munnery Mrs V Laird L Rigby |
| SECRETARY: | JP Hey |
| CO-OPTED DIRECTORS: | Sir A Pilkington (President) N Rushbrooke R Hamilton P Lockley |
| REGISTERED OFFICE: | 7 Waterside Court Technology Campus St Helens Merseyside WA9 1UE |
| REGISTERED NUMBER: | 2453212 |
| AUDITORS: | Abrams Ashton Registered Auditor Chartered Accountants 77 Corporation Street St Helens WA10 1SX |

**St Helens Chamber of Commerce, Training
and Enterprise Limited**

**Report of the Directors
For The Year Ended 31 March 1997**

The Directors present their report with the financial statements of the company for the year ended 31 March 1997.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing and promoting vocational education and training and retraining of the public, to improve the skills of the workforce and to promote the development of industry, commerce and enterprise of all forms for the benefit of the community in and around St Helens.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

Turnover increased over earlier years and a small surplus was generated. Our reserves are consistent with our policy of investing in the St Helens economy, whilst maintaining adequate reserves.

FUTURE DEVELOPMENTS

No significant developments are planned.

TRANSFER TO RESERVES

The retained profit transferred to reserves at 31 March 1997 was £109,383.

DIRECTORS

The directors during the year under review were:-

| | |
|-----------------------|---------------------------|
| MJ Doyle | |
| Mrs CA Hudson | |
| JM MacKinnon | |
| Mrs B Myddleton-Jones | |
| R Tully | Resigned 17 October 1996 |
| J West | |
| DJ Fillingham | Resigned 1 July 1997 |
| Prof. GW Ashworth | |
| WE Guest | |
| P Hulmes | |
| L Rigby | |
| J Roberts | Resigned 18 July 1996 |
| D Hart | Resigned 17 October 1996 |
| Mrs V Laird | |
| C Newton | Resigned 17 October 1996 |
| F Corless | Appointed 17 October 1996 |
| JC Munnery | Appointed 17 October 1996 |
| S Cupples | Appointed 17 October 1996 |
| J Taylor | Appointed 17 October 1996 |
| J Sharpley | Appointed 17 October 1996 |
| | (resigned 20 March 1997) |
| F Maycock | Resigned 16 April 1996 |

St Helens Chamber of Commerce, Training
and Enterprise Limited

Report of the Directors
For The Year Ended 31 March 1997

CO-OPTED DIRECTORS

| | |
|------------------------------|---------------------------|
| Sir A Pilkington (President) | Appointed 17 October 1996 |
| N Rushbrooke | |
| R Hamilton | Appointed 20 March 1997 |
| P Lockley | Appointed 17 October 1996 |

The following Directors retire at the Annual General Meeting and are eligible for re-appointment.

MJ Doyle
Mrs CA Hudson
J West
F Corless
L Rigby
S Cupples
J Taylor

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 the 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;
- state whether applicable accounting standards have been followed, 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 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.


In addition, the directors comply with the Cadbury Code of Best Practice in respect of the company's internal controls as follows:-

- a) the directors acknowledge that they are responsible for the company's system of internal control;
- b) such a system can provide only reasonable, and not absolute, assurance against material misstatement or loss;
- c) the internal audit function is carried out by an independent firm of Chartered Accountant who, from 1 April, 1997, do not perform the external audit function and who report four times each year to the Audit Committee, which has designated authority to oversee financial control;
- d) the Audit Committee have reviewed the effectiveness of the system of internal financial control.

AUDITORS

The auditors, Abrams Ashton, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


.....
DIRECTOR

Dated 2/9/97

**St Helens Chamber of Commerce, Training
and Enterprise Limited**

**Report of the Auditors to the Members of
St Helens Chamber of Commerce, Training
and Enterprise Limited**

We have audited the financial statements on pages five to fifteen which have been prepared under the historical cost convention and the accounting policies set out on page ten.

Respective responsibilities of directors and auditors

As described on page three 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 judgments 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 as at 31 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Abrams Ashton
Registered Auditor
Chartered Accountants
Central Buildings
77 Corporation Street
St. Helens
WA10 1SX



Dated:

2/9/97

**St Helens Chamber of Commerce, Training
and Enterprise Limited**

**Profit and Loss Account
for the Year Ended 31 March 1997**

| 31.3.96 | | | 31.3.97 |
|-----------------|---|-------|-----------------|
| £ | | Notes | £ |
| 7,545,896 | TURNOVER | 2 | 9,741,847 |
| 6,224,570 | Cost of sales | | 8,075,188 |
| 1,321,326 | GROSS PROFIT | | 1,666,659 |
| 2,043,396 | Administrative expenses | | 1,902,854 |
| (722,070) | | | (236,195) |
| 402,194 | Other operating income | | 320,430 |
| (319,876) | OPERATING PROFIT/(LOSS) | 4 | 84,235 |
| 35,171 | Interest receivable and similar income | 5 | 34,124 |
| (284,705) | | | 118,359 |
| 22 | Interest payable and similar charges | 6 | 786 |
| (284,727) | PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | | 117,573 |
| 8,793 | Tax on profit/(loss) on ordinary activities | 7 | 8,190 |
| (293,520) | PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION | | 109,383 |
| 1,125,814 | Retained profit brought forward | | 832,294 |
| <u>£832,294</u> | RETAINED PROFIT CARRIED FORWARD | | <u>£941,677</u> |

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

The notes form part of these financial statements

**St Helens Chamber of Commerce, Training
and Enterprise Limited**

**Balance Sheet
31 March 1997**

| 31.3.96 | | | | 31.3.97 | |
|------------------------|------------------|---|-------|------------------|------------------|
| £ | £ | | Notes | £ | £ |
| FIXED ASSETS: | | | | | |
| 147,524 | | Tangible assets | 9 | | 74,661 |
| 25,000 | | Investments | 10 | | 25,000 |
| | | | | | <u>99,661</u> |
| <u>172,524</u> | | | | | |
| CURRENT ASSETS: | | | | | |
| | 1,381,230 | Debtors | 11 | 2,040,564 | |
| | 438,567 | Cash at bank | | 819,070 | |
| | <u>1,819,797</u> | | | <u>2,859,634</u> | |
| | 1,086,829 | CREDITORS: Amounts falling due within one year | 12 | 1,958,283 | |
| | <u>732,968</u> | | | | <u>901,351</u> |
| | | NET CURRENT ASSETS: | | | |
| | | | | | <u>1,001,012</u> |
| | | TOTAL ASSETS LESS CURRENT LIABILITIES: | | | |
| | | | | | |
| | | ACCRUALS AND DEFERRED INCOME: | 14 | | 59,335 |
| | 73,198 | | | | <u>£941,677</u> |
| | <u>£832,294</u> | | | | |
| | | RESERVES: | | | |
| | 832,294 | Profit and loss account | | | 941,677 |
| | <u>£832,294</u> | | 17 | | <u>£941,677</u> |

ON BEHALF OF THE BOARD:

P. Mulvey

- DIRECTOR

Approved by the Board on 17 July 1997

The notes form part of these financial statements

**St Helens Chamber of Commerce, Training
and Enterprise Limited**

**Cash Flow Statement
for the Year Ended 31 March 1997**

| 31.3.96 | | Notes | 31.3.97 | |
|-----------------|---|-------|---------|-----------------|
| £ | £ | | £ | £ |
| 525,486 | Net cash inflow from operating activities | 1 | | 403,178 |
| 35,149 | Returns on investments and servicing of finance | 2 | | 33,338 |
| (8,333) | Taxation | | | (8,793) |
| (195,200) | Capital expenditure | 2 | | (66,426) |
| <u>357,102</u> | | | | <u>361,297</u> |
| 61,600 | Financing | 2 | | 19,206 |
| <u>£418,702</u> | Increase in cash in the period | | | <u>£380,503</u> |
| <hr/> | | | | |
| | Reconciliation of net cash flow to movement in net funds | 3 | | |
| <u>418,702</u> | Increase in cash in the period | | | <u>380,503</u> |
| <u>418,702</u> | Change in net funds resulting from cash flows | | | <u>380,503</u> |
| <u>418,702</u> | Movement in net funds in the period | | | <u>380,503</u> |
| <u>19,865</u> | Net funds at 1 April 1996 | | | <u>438,567</u> |
| <u>£438,567</u> | Net funds at 31 March 1997 | | | <u>£819,070</u> |

The notes form part of these financial statements

**St Helens Chamber of Commerce, Training
and Enterprise Limited**

**Notes to the Cash Flow Statement
for the Year Ended 31 March 1997**

1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 31.3.97 £ | 31.3.96 £ |
|--|-----------------------|-----------------------|
| Operating profit/(loss) | 84,235 | (319,876) |
| Depreciation charges | 139,289 | 131,394 |
| Government grants | (33,069) | (31,858) |
| (Increase)/Decrease in debtors | (659,334) | 770,222 |
| Increase/(Decrease) in creditors | 872,057 | (24,396) |
| | <u> </u> | <u> </u> |
| Net cash inflow from operating activities | <u><u>403,178</u></u> | <u><u>525,486</u></u> |

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

| | 31.3.97 £ | 31.3.96 £ |
|--|------------------------|-------------------------|
| Returns on investments and servicing of finance | | |
| Interest received | 34,124 | 35,171 |
| Interest paid | (786) | (22) |
| | <u> </u> | <u> </u> |
| Net cash inflow for returns on investments and servicing of finance | <u><u>33,338</u></u> | <u><u>35,149</u></u> |
| Capital expenditure | | |
| Purchase of tangible fixed assets | (66,426) | (195,200) |
| | <u> </u> | <u> </u> |
| Net cash outflow for capital expenditure | <u><u>(66,426)</u></u> | <u><u>(195,200)</u></u> |
| Financing | | |
| Grants received | 19,206 | 61,600 |
| | <u> </u> | <u> </u> |
| Net cash inflow from financing | <u><u>19,206</u></u> | <u><u>61,600</u></u> |

The notes form part of these financial statements

**St Helens Chamber of Commerce, Training
and Enterprise Limited**

**Notes to the Cash Flow Statement
for the Year Ended 31 March 1997**

3. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.4.96 £ | Cash flow £ | At 31.3.97 £ |
|--------------------------------------|--------------------|--------------------|--------------------|
| Net cash: | | | |
| Cash at bank | 438,567 | 380,503 | 819,070 |
| | <u>438,567</u> | <u>380,503</u> | <u>819,070</u> |
| Total | <u>438,567</u> | <u>380,503</u> | <u>819,070</u> |
| Analysed in Balance Sheet | | | |
| Cash at bank | 438,567 | | 819,070 |
| | <u>438,567</u> | | <u>819,070</u> |

The notes form part of these financial statements

**St Helens Chamber of Commerce, Training
and Enterprise Limited**

**Notes to the Financial Statements
for the Year Ended 31 March 1997**

1. ACCOUNTING POLICIES

Accounting convention

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|---------------------|---------------|
| Fixtures & Fittings | - 20% on cost |
| Motor vehicles | - 20% on cost |
| Computer equipment | - 50% on cost |

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Capital Grants

Grants for the purchase of fixed assets are treated as deferred income and are credited to the profit and loss account over the anticipated economic life of the asset at rates consistent with the depreciation policy.

Operating Leases

Expenditure applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

2. TURNOVER

Turnover represents fees received, excluding value added tax.

3. STAFF COSTS

| | | |
|--------------------------|-----------|-----------|
| | 31.3.97 | 31.3.96 |
| | £ | £ |
| Wages and salaries costs | 1,458,046 | 1,091,492 |
| Other pension costs | 79,158 | 58,658 |
| Total staff costs | 1,537,204 | 1,150,150 |

Average weekly number of employees during the year was 78 ,(1996 - 65).

**St Helens Chamber of Commerce, Training
and Enterprise Limited**

**Notes to the Financial Statements
for the Year Ended 31 March 1997**

4. OPERATING PROFIT/(LOSS)

The operating profit (1996 - operating loss) is stated after charging:

| | 31.3.97 | 31.3.96 |
|-----------------------------|-------------------|-------------------|
| | £ | £ |
| Hire of plant and machinery | 23,008 | 22,853 |
| Depreciation - owned assets | 139,289 | 131,394 |
| Auditors' remuneration | 8,000 | 7,000 |
| | <u> </u> | <u> </u> |
| Directors' emoluments | 63,743 | 50,890 |
| | <u> </u> | <u> </u> |

The only director to receive remuneration in 1997 and 1996 was the Chief Executive.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 31.3.97 | 31.3.96 |
|--------------------------|-------------------|-------------------|
| | £ | £ |
| Deposit account interest | 29,446 | 27,523 |
| Loan interest | 4,678 | 7,648 |
| | <u> </u> | <u> </u> |
| | 34,124 | 35,171 |
| | <u> </u> | <u> </u> |

6. INTEREST PAYABLE AND SIMILAR CHARGES

| | 31.3.97 | 31.3.96 |
|---------------|-------------------|-------------------|
| | £ | £ |
| Bank interest | 786 | 22 |
| | <u> </u> | <u> </u> |

7. TAXATION

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

| | 31.3.97 | 31.3.96 |
|--------------------|-------------------|-------------------|
| | £ | £ |
| UK Corporation Tax | 8,190 | 8,793 |
| | <u> </u> | <u> </u> |

UK Corporation Tax has been charged at 24 % (1996 - 25 %).

8. SHARE CAPITAL

The Company is limited by guarantee and therefore has no share capital. Each members liability is limited to £1.

**St Helens Chamber of Commerce, Training
and Enterprise Limited**

**Notes to the Financial Statements
for the Year Ended 31 March 1997**

9. TANGIBLE FIXED ASSETS

| | Totals | Fixtures & Fittin- gs | Motor vehicles | Computer equipment |
|------------------------|----------------|-----------------------------|-------------------|-----------------------|
| | £ | £ | £ | £ |
| COST: | | | | |
| At 1 April 1996 | 413,324 | 133,456 | 25,380 | 254,488 |
| Additions | 66,426 | 7,949 | - | 58,477 |
| | <u>479,750</u> | <u>141,405</u> | <u>25,380</u> | <u>312,965</u> |
| At 31 March 1997 | | | | |
| DEPRECIATION: | | | | |
| At 1 April 1996 | 265,800 | 89,388 | 15,228 | 161,184 |
| Charge for year | 139,289 | 19,725 | 5,076 | 114,488 |
| | <u>405,089</u> | <u>109,113</u> | <u>20,304</u> | <u>275,672</u> |
| At 31 March 1997 | | | | |
| NET BOOK VALUE: | | | | |
| At 31 March 1997 | <u>74,661</u> | <u>32,292</u> | <u>5,076</u> | <u>37,293</u> |
| At 31 March 1996 | <u>147,524</u> | <u>44,068</u> | <u>10,152</u> | <u>93,304</u> |

10. FIXED ASSET INVESTMENTS

| | |
|--------------------------------------|----------------|
| | £ |
| COST: | |
| At 1 April 1996 and 31 March 1997 | <u>25,000</u> |
| NET BOOK VALUE: | |
| At 31 March 1997 | <u>£25,000</u> |
| At 31 March 1996 | <u>£25,000</u> |
| | |
| | 31.3.97 |
| | £ |
| Unlisted investments | <u>25,000</u> |
| | <u>31.3.96</u> |
| | £ |
| | <u>25,000</u> |

**St Helens Chamber of Commerce, Training
and Enterprise Limited**

**Notes to the Financial Statements
for the Year Ended 31 March 1997**

10. FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

St Helens Career Services Limited

Nature of business: Career Guidance

| | % | | |
|--------------------------------|---------|-------------------|-------------------|
| Class of shares: | holding | | |
| Ordinary | 50.00 | | |
| | | 31.3.97 | 31.3.96 |
| | | £ | £ |
| Aggregate capital and reserves | | 210,816 | 164,053 |
| Profit for the year | | 46,763 | 84,323 |
| | | <u> </u> | <u> </u> |

The shareholding is a 50% non controlling interest

11. DEBTORS

| | | |
|--------------------------------------|------------------|------------------|
| | 31.3.97 | 31.3.96 |
| | £ | £ |
| Amounts falling due within one year: | | |
| V.A.T. | 80,172 | 40,236 |
| Trade debtors | 1,453,595 | 1,035,460 |
| Other debtors | 13,000 | 50,000 |
| Prepayments & accrued income | 445,549 | 147,886 |
| | <u>1,992,316</u> | <u>1,273,582</u> |

Amounts falling due after more than one year:

| | | |
|-----------------------|-------------------|-------------------|
| Working Capital Loans | 48,248 | 107,648 |
| | <u> </u> | <u> </u> |
| Aggregate amounts | 2,040,564 | 1,381,230 |
| | <u> </u> | <u> </u> |

**12. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

| | | |
|-------------------------------|------------------|------------------|
| | 31.3.97 | 31.3.96 |
| | £ | £ |
| Trade creditors | 1,439,508 | 740,004 |
| Other creditors | 32,211 | 24,865 |
| Social security & other taxes | 37,689 | 38,655 |
| Taxation | 8,190 | 8,793 |
| Accruals | 440,685 | 274,512 |
| | <u>1,958,283</u> | <u>1,086,829</u> |

**St Helens Chamber of Commerce, Training
and Enterprise Limited**

**Notes to the Financial Statements
for the Year Ended 31 March 1997**

13. OBLIGATIONS UNDER LEASING AGREEMENTS

The following payments are committed to be paid within one year:

| | Operating leases | | | |
|----------------------------|--------------------|----------------|---------------|---------------|
| | Land and buildings | | Other | |
| | 31.3.97 | 31.3.96 | 31.3.97 | 31.3.96 |
| | £ | £ | £ | £ |
| Expiring: | | | | |
| Within one year | 35,000 | - | 1,448 | - |
| Between one and five years | 99,911 | 214,316 | 34,536 | 40,004 |
| In more than five years | - | - | - | 16,272 |
| | <u>134,911</u> | <u>214,316</u> | <u>35,984</u> | <u>56,276</u> |

14. ACCRUALS AND DEFERRED INCOME

| | 31.3.97 | 31.3.96 |
|---|---------------|---------------|
| | £ | £ |
| Deferred government grants | | |
| Brought forward | 73,198 | 43,456 |
| Received in year | 19,206 | 61,600 |
| Grant released to the profit and loss account | (33,069) | (31,858) |
| | <u>59,335</u> | <u>73,198</u> |

15. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. Amounts are charged to the accounts as they are paid. The charge for the year was £79,158 (£58,658).

16. TRANSACTIONS WITH DIRECTORS

A register of Directors' interests is kept at the Company's registered office containing training agreements and other contracts between this company and companies in which some of the Directors have an interest.

17. RECONCILIATION OF MOVEMENTS IN RESERVES

| | 31.3.97 | 31.3.96 |
|---|----------------|------------------|
| | £ | £ |
| Profit/(Loss) for the financial year | 109,383 | (293,520) |
| NET ADDITION/(REDUCTION) TO RESERVES | <u>109,383</u> | <u>(293,520)</u> |
| Opening reserves | 832,294 | 1,125,814 |
| CLOSING RESERVES | <u>941,677</u> | <u>832,294</u> |

**St Helens Chamber of Commerce, Training
and Enterprise Limited**

**Notes to the Financial Statements
for the Year Ended 31 March 1997**

18. OUTSTANDING CLAIMS

Included in debtors is an estimate of £132,006 for claims relating to the year ended 31 March 1997 which will not be finalised until the July 1997 claims are received from providers. These claims are considered to be fully recoverable. Creditors include an estimate of £166,639 being the related costs of the claims.

19. RESERVES

It is a requirement of the TEC's agreement with the Secretary of State that the TEC disclose the amount within its reserves which is attributable to either the TEC or the Secretary of State and, in the event of termination of the contract, would return to the Secretary of State. The figures below have been agreed between the Government Office for Merseyside and the TEC but have not been the subject of any audit.

As at 31 March 1997

| | £ |
|---|---------|
| Reserves attributable to the Secretary of State | 925,233 |
| Reserves attributable to the Tec | 16,444 |
| Reserves as per Balance Sheet | 941,677 |

This statement does not in any way imply ownership or control of these reserves by the Secretary of State while they continue to recognise the company as a Training and Enterprise Council but merely notes the source of the reserves held by the TEC at the balance sheet date.