

**CHAMBERLINK LIMITED**

**T/A BUSINESS SUPPORT SOLUTIONS**

**Directors' Report and Consolidated Financial Statements  
for the year ended 31 July 2008**

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**CONTENTS**

	Page
Directors and advisers	1
Directors' report	2
Report of the independent auditors	5
Consolidated income and expenditure account	6
Consolidated statement of total recognised gains and losses	7
Consolidated balance sheet	8
Company balance sheet	9
Consolidated cash flow statement	10
Notes to the accounts	11

# ChamberLink Limited

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**Registered No. 3922575**

## **DIRECTORS**

The Current Directors of the Company are as follows:

Mr R Guy OBE  
Mrs A Robinson  
Mr T Johnston  
Ms T Smith  
Mr J Shonfeld

## **SECRETARY**

C Dodgson

## **AUDITORS**

Hurst & Company Accountants LLP  
Lancashire Gate  
21 Tiviot Dale  
Stockport  
Cheshire  
SK1 1TD

## **REGISTERED OFFICE**

Lee House  
90 Great Bridgewater Street  
Manchester  
M1 5JW

## **BANKERS**

The Co-operative Bank Plc  
PO Box 101  
1 Balloon Street  
Manchester  
M60 4EP

## **SOLICITORS**

Addleshaw Booth & Co  
100 Barbirolli Square  
Manchester  
M2 3AB

# ChamberLink Limited

## DIRECTORS' REPORT

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The directors present their report and the consolidated financial statements for the year ended 31 July 2008.

### Principal activities and review of the business

ChamberLink Limited, trading as Business Support Solutions, is a joint venture company owned by Economic Solutions Limited and Greater Manchester Chamber of Commerce. It was incorporated in February 2000 to provide a wide range of business support services. The company and its subsidiaries continue to develop both publicly funded and fee earning business support services.

In this year the Group of companies has been successful in securing Local Authority contracts alongside developing new areas of work including the further development of its training and consultancy services.

### Results for the year

The results for the year are set out on page 6.

### Future developments

Future plans for the company include:

- to further develop commercial business support services, both in terms of the scope and range of services and the geographical coverage;
- to convert more of its training services to a direct delivery model;
- to deliver existing and secure new publicly funded business support contracts to help raise productivity and business growth and contribute to the economic development of the sub region and region;
- to develop membership services that address sectoral variations and support the growth of Greater Manchester Chamber of Commerce membership;
- to further grow the company's involvement in skills delivery and the delivery of workforce development through its subsidiary of Centre for Assessment and Recognition (NW) Limited.

### Financial risk management objective and policies

The Board reviews the financial risk management of the company. The Board's objective is to keep exposure to financial risk as low as possible. Consequently, the company does not invest in higher risk forms of investment and maintained surpluses in interest bearing deposit accounts.

### Employment policy

The group places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters that affect them as employees and on various factors affecting the performance of the group. The group continues to develop its channels of communication with monthly face-to-face briefings, the use of the intranet and through dialogue with the Employee Consultative Committee.

The group is an equal opportunities employer.

### Payment of creditors

It is the company's policy to settle trade liabilities in accordance with the terms and conditions of its suppliers. At the year end, the average number of days credit obtained from suppliers was 30 days (2007: 30 days).

# ChamberLink Limited

## DIRECTORS' REPORT

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### Directors

The directors who served during the year are as stated below:

R Guy OBE  
T Johnston  
A Robinson  
J Shonfeld \*  
T Smith

\* Member of the Audit Committee

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

The Board has met 4 times during the year. It comprises 5 Non-executive Directors including the Chairman, with the directors being nominated by the shareholders.

The duties of the Board are set out in the joint venture agreement. Directors are fully briefed in advance of Board meetings on all aspects to be discussed and receive regular reports on all matters of the companies operating and financial position. Regular presentations are made at Board meetings on key business operations and other material matters.

The Board has an established Audit and Remuneration Committee. Both committees operate within defined terms of reference and the minutes of the meetings are circulated to the Board.

### Audit Committee

The Finance and Audit Committee of the Manchester Solutions Group Board include Business Support Solutions when discharging their responsibilities.

The Finance and Audit Committee is responsible for assisting the Board with its responsibilities in respect of external financial reporting. This includes reviewing the company's financial statements, or other statements containing financial information, before submission to the Board for endorsement.

It is also responsible for overseeing all matters associated with the appointment, terms, remuneration and performance of the external auditors and for reviewing the scope and results of the audit and its cost effectiveness. The Committee reviews annually the independence and objectivity of the external auditors taking into account the non audit services provided by them.

Only Committee members are required to attend meetings. However the Chief Executive, Finance Director, Internal Auditor and External Auditor are normally invited to attend. Others are also invited to attend when appropriate. A part of at least one meeting annually will take place when executive management are not present.

### Remuneration Committee

The Remuneration Committee consists of the Board, supported by Economic Solutions Human Resources department.

# ChamberLink Limited

## DIRECTORS' REPORT

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### Directors' responsibilities

The directors are responsible for preparing 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 the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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.

The maintenance and integrity of the company website ([www.chamber-link.co.uk](http://www.chamber-link.co.uk)) is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors of a company must, in determining how amounts are presented within items in the income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

In so far as the directors are aware there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of this information.

In so far as the directors are aware:

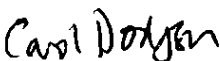
- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Hurst & Company Accountants LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

### Approval

The report of the directors was approved by the Board on 24/3/09 and signed on its behalf by:

  
C Dodgson  
Company Secretary

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CHAMBERLINK LIMITED

We have audited the financial statements of ChamberLink Limited for the year ended 31 July 2008 which comprise the consolidated income and expenditure account, the statement of total recognised gains and losses, the consolidated and company balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 United Kingdom law and 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 transactions with the company is not disclosed.

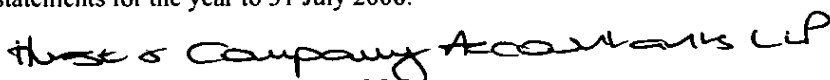
### Basis of audit opinion

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 affairs of the company and the group as at 31 July 2008 and of the surplus for the year then ended, the financial statements 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 for the year to 31 July 2008.

  
Hurst & Company Accountants LLP  
Chartered Accountants and Registered Auditors  
Lancashire Gate  
21 Tiviot Dale  
Stockport, SK1 1TD

Date: 29 March 2009

**CONSOLIDATED INCOME & EXPENDITURE ACCOUNT**

For the year ended 31 July 2008

	Note	Year ended 31 July 2008		Period ended 31 July 2007	
		£	£	£	£
<b>OPERATING INCOME:</b>	2				
Continuing operations		17,742,741		17,089,641	
Discontinued operations		-		6,972,566	
Acquired operations		-		277,721	
			17,742,741		24,339,928
<b>ADMINISTRATIVE EXPENSES</b>	4		(17,178,813)		(23,835,553)
<b>OPERATING SURPLUS/ (DEFICIT) BEFORE EXCEPTIONAL ITEMS:</b>					
Continuing operations		563,928		756,550	
Discontinued operations		-		(274,537)	
Acquired operations		-		22,362	
			563,928		504,375
<b>EXCEPTIONAL ITEMS</b>					
Discontinued operations	3		69,466		(397,591)
<b>OPERATING SURPLUS/(DEFICIT) AFTER EXCEPTIONAL ITEMS</b>	5		633,394		106,784
Interest (payable) and similar charges	8		(10,000)		(34,003)
Interest receivable and similar income	9		48,169		5,941
<b>SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			671,563		78,722
Taxation on surplus on ordinary activities	10		(9,604)		(4,860)
<b>SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>	19		661,959		73,862

The notes to the accounts on pages 11 to 28 form an integral part of these financial statements.



**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 JULY 2008**

	<b>Note</b>	<b>2008 £</b>	<b>2007 £</b>
Surplus/(deficit) for the financial year		661,959	73,862
Actuarial gain/(loss) relating to the pension scheme	17	93,000	729,000
		<hr/>	<hr/>
Total recognised gains and losses relating to the year		754,959	802,862
Prior year adjustment		-	-
		<hr/>	<hr/>
Total gains and losses recognised since the last annual report and financial statements		754,959	802,862
		<hr/>	<hr/>

The notes to the accounts on pages 11 to 28 form an integral part of these financial statements.

# ChamberLink Limited

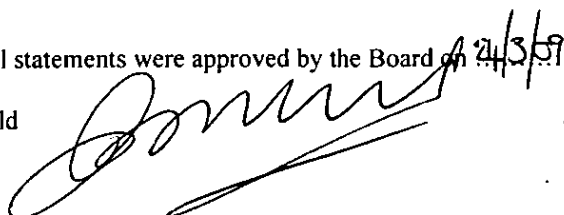
## CONSOLIDATED BALANCE SHEET

At 31 July 2008

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	11	42,128	82,487
Intangible assets	12	(746,577)	(918,048)
		<u>(704,449)</u>	<u>(835,561)</u>
<b>CURRENT ASSETS</b>			
Debtors	14	6,321,988	7,575,239
Cash at bank and in hand		1,138,322	1,355,958
		<u>7,460,310</u>	<u>8,931,197</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	15	(4,498,636)	(6,710,221)
		<u>2,961,674</u>	<u>2,220,976</u>
<b>NET CURRENT ASSETS</b>			
		2,257,225	1,385,415
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
Provisions for liabilities and charges	16	(255,000)	(149)
		<u>2,002,225</u>	<u>1,385,266</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>			
Pension liability	17	(549,000)	(687,000)
		<u>1,453,225</u>	<u>698,266</u>
<b>NET ASSETS/(LIABILITIES)</b>			
		<u>1,453,225</u>	<u>698,266</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	18	2	2
Share premium account	19	263,311	263,311
Income and expenditure account	19	1,189,912	434,953
		<u>1,453,225</u>	<u>698,266</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	20	1,453,225	698,266

The financial statements were approved by the Board on 24/3/09 and signed on its behalf by:

Mr J Shonfeld  
Chair



The notes to the accounts on pages 11 to 28 form an integral part of these financial statements.

# ChamberLink Limited

## COMPANY BALANCE SHEET

At 31 July 2008

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	11	-	44,391
Investments	13	-	-
<b>CURRENT ASSETS</b>			
Debtors	14	5,192,684	7,036,198
Cash at bank and in hand		58,932	166,744
		5,251,616	7,202,942
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	15	(3,612,712)	(5,848,556)
<b>NET CURRENT ASSETS</b>		1,638,904	1,354,386
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,638,904	1,398,777
Provisions for liabilities and charges	16	(255,000)	-
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		1,383,904	1,398,777
Pension liability	17	(549,000)	(687,000)
<b>NET (LIABILITIES)/ASSETS</b>		834,904	711,777
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	18	2	2
Share premium account	19	263,311	263,311
Income and expenditure account	19	571,591	448,464
<b>EQUITY SHAREHOLDERS' FUNDS</b>	20	834,904	711,777

The financial statements were approved by the Board on 24/3/09 and signed on its behalf by:

Mr J Shonfeld  
Chair

The surplus dealt with the accounts of the parent company was £30,127 (2007: surplus £92,655). The company has taken advantage of the exemptions conferred by s230 of Companies Act 1985 not to disclose its individual profit and loss account for the year.

The notes to the accounts on pages 11 to 28 form an integral part of these financial statements.

**CASHFLOW STATEMENT FOR THE YEAR ENDED 31 July 2008**

	Note	2008 £	2007 £
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	22	(208,276)	1,439,210
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
Interest (paid)/received		48,169	5,938
Proceeds from disposal of assets held for resale		-	1,150,000
<b>NET CASH INFLOW/(OUTFLOW) FROM RETURNS ON INVESTMENT &amp; SERVICING OF FINANCE</b>		(160,107)	1,155,938
<b>TAXATION PAID</b>			
UK Corporation tax		-	14,491
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Payments to acquire tangible fixed assets		(32,869)	(30,820)
<b>ACQUISITION &amp; DISPOSALS</b>			
Cash acquired on acquisition		-	882,212
<b>NET CASH INFLOW FROM ACQUISITIONS &amp; DISPOSALS</b>		-	882,212
<b>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		(192,976)	3,461,031
<b>EQUITY DIVIDENDS PAID</b>		-	-
<b>INCREASE/(DECREASE) IN CASH IN YEAR</b>	22	(192,976)	3,461,031

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)**

		2008 £	2007 £
Increase/(decrease) in cash in year		(192,976)	3,461,031
Decrease in finance leases		-	-
Change in net funds/(debt) resulting from cash flow		(192,976)	3,461,031
Net funds/(debt) at 1 August 2007	22	584,298	(2,876,733)
<b>NET FUNDS AT 31 JULY 2008</b>	22	391,322	584,298

The notes to the accounts on pages 11 to 28 form an integral part of these financial statements.

## NOTES TO THE ACCOUNTS

At 31 July 2008

### 1. ACCOUNTING POLICIES

#### 1.1 Accounting convention

The financial statements have been prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

The company has consistently applied all relevant accounting standards.

#### 1.2 Basis of consolidation

The group accounts consolidate the accounts of ChamberLink Limited and all of its subsidiary undertakings.

#### 1.3 Turnover

##### Subscription income

Subscription income is recognised on an accruals basis over the year of the subscription.

##### Contract income

Contract income in the form of revenue grants from funding bodies is only recognised as and when the associated expenditure is incurred. Contract income received in advance of the associated expenditure is credited to deferred income in the balance sheet and not credited to the income and expenditure account. Where contract expenditure is incurred in advance of the related income being received then this amount is debited to accrued income in the balance sheet. This means that the company's reserves do not include any unspent monies derived from the SBS contract and instead represent reserves earned from activities not covered by the SBS contract.

#### 1.4 Intangible assets

Negative goodwill on acquisition of subsidiary undertakings has been capitalised and is being amortised over 10 years.

#### 1.5 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Short leasehold improvements	-	Straight line over the life of the lease
Computers	-	3 years
Office equipment	-	7 years

#### 1.6 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future years. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each year.

## NOTES TO THE ACCOUNTS

At 31 July 2008

### 1.7 Pensions and other post-retirement benefits

ChamberLink Limited is a participating employer in the Greater Manchester Chamber and ChamberLink Staff Pension Scheme. This is a defined benefit scheme, which requires contributions to be made to a separate administered fund. The current service costs are charged to operating expenditure and the net returns on assets are charged to net interest receivable in the Income & Expenditure account. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses. Pension scheme liabilities are measured on an actuarial basis using a projected unit method and are discounted to their present value using a AA corporate bond rate. Pension scheme assets are valued at market value at the balance sheet date. The pension scheme deficit is recognised in full on the balance sheet.

The company also contributes to personal pension plans of certain employees. These contributions are charged to the income and expenditure account as they become payable.

### 1.8 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 1.9 Impairment losses

Impairment reviews have been carried out on office fixtures and fittings comparing the carrying value to the net realisable value and based on in use and no future use.

## 2. OPERATING INCOME

Operating income, which is stated net of value added tax, is wholly attributable to the group's principal continuing activity of business support and development in the United Kingdom.

# ChamberLink Limited

## NOTES TO THE ACCOUNTS

At 31 July 2008

### 3. EXCEPTIONAL ITEMS

Group and company	Year ended 31 July 2008 £	Period ended 31 July 2007 £
<b>Exceptional income</b>		
NWDA	-	769,769
Release of provisions	-	1,145,538
Write off of goodwill in relation to subsidiary wound up	69,466	-
	<u>69,466</u>	<u>1,915,307</u>
<b>Exceptional expenditure</b>		
Closure costs	-	1,682,534
VAT repayment	-	170,000
North Manchester ERDF repayment	-	460,364
	<u>-</u>	<u>2,312,898</u>
Net exceptional income/(costs)	<u>69,466</u>	<u>(397,591)</u>

### 4. NOTE TO THE CONSOLIDATED INCOME & EXPENDITURE ACCOUNT

	Year ended 31/7/08			Period ended 31/7/07			
	Continuing £	Discontinued £	Total £	Continuing £	Discontinued £	Acquired operations £	Total £
Administrative expenses	17,178,813	-	17,178,813	16,333,091	7,247,103	255,359	23,835,553
	<u>17,178,813</u>	<u>-</u>	<u>17,178,813</u>	<u>16,333,091</u>	<u>7,247,103</u>	<u>255,359</u>	<u>23,835,553</u>

### 5. OPERATING SURPLUS/DEFICIT

The operating surplus/deficit is stated after charging/(crediting):

	2008 £	2007 £
Auditors' remuneration		
- audit	23,900	28,100
- taxation	8,000	9,200
- other services	41,975	41,163
Depreciation/amounts written off fixed assets	73,228	401,046
Amortisation of goodwill	(102,005)	(102,005)
Operating lease rentals	886,911	680,935
- land and buildings		
Exceptional items (note 3)	(69,466)	397,591
	<u></u>	<u></u>

# ChamberLink Limited

## NOTES TO THE ACCOUNTS

At 31 July 2008

### 6. DIRECTORS' EMOLUMENTS

The aggregate directors' emoluments were £nil (2007: £54,908). Company contributions of £nil to a final salary scheme were recharged to the Company for the directors (2007: £6,061).

### 7. STAFF COSTS AND PENSIONS

Group	2008 £	2007 £
Staff costs:		
Wages and salaries	4,733,080	7,477,875
Social Security costs	394,208	691,935
Pension costs (see note 5(b) below)	558,927	600,737
	<u>5,686,215</u>	<u>8,770,547</u>

The monthly average number of persons employed by the group (including directors) during the year analysed by category was as follows:

	2008	2007
Operational delivery staff	92	106
Administrative staff	56	40
	<u>148</u>	<u>146</u>

### 8. INTEREST PAYABLE

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Pension scheme finance charges	10,000	34,000	10,000	34,000
Bank interest	-	3	-	-
	<u>10,000</u>	<u>34,003</u>	<u>10,000</u>	<u>34,000</u>



NOTES TO THE ACCOUNTS

At 31 July 2008

9. INTEREST RECEIVABLE

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Bank interest	48,169	5,941	2,588	4,133

10. TAXATION

Group

	2008 £	2007 £
Current tax charge on income	9,753	4,860
Movement in deferred taxation	(149)	-
Total tax charge	9,604	4,860

The tax assessed for the year is lower than the standard rate of corporation tax in the UK 28% (2007: 30%). The differences are explained below:

	2008 £	2007 £
Surplus/(deficit) on ordinary activities before tax	671,563	78,722
Surplus/(deficit) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2007: 30%)	188,038	23,617
Effects of:		
Tax rate lower than 28/30%	(3,734)	-
Non taxable income	(174,551)	(18,757)
Adjustment to tax charge in respect of previous year	-	-
Expenditure not tax deductible	-	-
Current tax (credit) / charge for year	9,753	4,860

NOTES TO THE ACCOUNTS

At 31 July 2008

11. FIXED ASSETS

Group	Office Fixtures & Fittings £	Computers £	Leasehold Improvements £	Total £
<b>Cost</b>				
1 August 2007	329,360	961,885	425,355	1,716,600
Additions	650	5,074	27,145	32,869
Disposals	(21,039)	21,341	(48,008)	(47,706)
31 July 2008	308,971	988,300	404,492	1,701,763
<b>Depreciation</b>				
1 August 2007	299,032	957,809	377,272	1,634,113
Charges in year	8,314	24,512	40,402	73,228
On disposals	(6,235)	(4,311)	(37,160)	(47,706)
31 July 2008	301,111	978,010	380,514	1,659,635
<b>Net book values</b>				
31 July 2008	7,860	10,290	23,978	42,128
31 July 2007	30,328	4,076	48,083	82,487
<b>Company</b>	<b>Leasehold Improvements £</b>	<b>Computers £</b>	<b>Office Fixtures &amp; Fittings £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 August 2007	343,650	941,811	285,827	1,571,288
At 31 July 2008	343,650	941,811	285,827	1,571,288
<b>Depreciation</b>				
At 1 August 2007	319,903	926,887	280,107	1,526,897
Charge for the year	23,747	14,924	5,720	44,391
At 31 July 2008	343,650	941,811	285,827	1,571,288
<b>Net book values</b>				
At 31 July 2008	-	-	-	-
At 31 July 2007	23,747	14,924	5,720	44,391

# ChamberLink Limited

## NOTES TO THE ACCOUNTS

At 31 July 2008

### 12. INTANGIBLE FIXED ASSETS

<b>Group</b>	<b>Negative Goodwill £</b>	<b>Total £</b>
<b>Cost</b>		
1 August 2007	1,020,053	1,020,053
Additions	-	-
Disposals	(86,832)	(86,832)
	<hr/>	<hr/>
31 July 2008	933,221	933,221
	<hr/>	<hr/>
<b>Amortisation</b>		
1 August 2007	102,005	102,005
Charge in year	102,005	102,005
Impairment	-	-
On disposals	(17,366)	(17,366)
	<hr/>	<hr/>
31 July 2008	186,644	186,644
	<hr/>	<hr/>
<b>Net Book Value</b>		
31 July 2008	746,577	746,577
	<hr/>	<hr/>
31 July 2007	918,048	918,048
	<hr/>	<hr/>

# ChamberLink Limited

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## NOTES TO THE ACCOUNTS

At 31 July 2008

### 13. INVESTMENTS

#### Company

On 1 October 2004 Third Sector Enterprises Limited commenced trading as a subsidiary undertaking of ChamberLink Limited. Third Sector Enterprises Limited was incorporated in England and Wales on 27 July 2004, and is a company limited by guarantee with ChamberLink Limited as the sole member. ChamberLink Limited's liability under the guarantee is limited to £1. ChamberLink Limited controls the entire voting rights and has a controlling interest. This company is now dormant. There is no goodwill recognised in relation to this company.

On 1 January 2007 Creative Industries Development Services Limited commenced trading as a subsidiary undertaking of ChamberLink Limited. Creative Industries Development Services Limited was incorporated in England and Wales on 18 May 2006, and is a company limited by guarantee with ChamberLink Limited as the sole member. ChamberLink Limited's liability under the guarantee is limited to £1. ChamberLink Limited controls the entire voting rights and has a controlling interest. Creative Industries Development Services Limited provides business support services to enterprises in the creative and digital sectors.

On 1 January 2007 Trafford Business Venture Limited became a subsidiary undertaking of ChamberLink Limited. Trafford Business Venture Limited was incorporated in England and Wales on 3 August 1983, and is a company limited by guarantee with ChamberLink Limited as the sole member. Trafford Business Venture Limited has ceased to trade and goodwill in relation to the acquisition of this company has been written off in the year.

On 1 July 2007 Centre For Assessment Limited became a subsidiary undertaking of ChamberLink Limited. Centre For Assessment Limited was incorporated in England and Wales on 13 October 2000, and is a company limited by guarantee with ChamberLink Limited as the sole member. ChamberLink Limited's liability under the guarantee is limited to £1. ChamberLink Limited controls the entire voting rights and has a controlling interest. Centre For Assessment Limited operates as facilitators for assessment and in the process of 'Investors in People'.

On 1 July 2007 Centre For Assessment And Recognition (NW) Limited became a subsidiary undertaking of ChamberLink Limited. Centre For Assessment And Recognition (NW) Limited was incorporated in England and Wales on 15 January 2001, and is a company limited by guarantee with ChamberLink Limited as the sole member. ChamberLink Limited's liability under the guarantee is limited to £1. ChamberLink Limited controls the entire voting rights and has a controlling interest. Centre For Assessment And Recognition (NW) Limited operates as facilitators for assessment and recognition in the process of 'Investors in People'.

# ChamberLink Limited

## NOTES TO THE ACCOUNTS

At 31 July 2008

### Fixed Asset Investments Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Rights held	Proportion of voting rights
<b>Subsidiary undertaking</b>				
Creative Industries Development Services Limited	England and Wales	Provision of business support services to enterprises in the creative and digital sectors	Voting right	100%
Centre for Assessment Limited	England and Wales	Facilitators for assessment in the process of 'Investors in People'	Voting right	100%
Centre for Assessment and Recognition (NW) Limited	England and Wales	Facilitators for assessment in the process of 'Investors in People'	Voting right	100%
Third Sector Enterprises Limited	England and Wales	Provision of business support services to Social enterprises and similar organisations	Voting right	100%
Trafford Business Venture Limited	England and Wales	Provision of aid to existing and new small firms within the Metropolitan Borough of Trafford	Voting right	100%

### 14. DEBTORS

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Trade debtors	3,645,184	5,828,630	2,827,079	5,074,917
Prepayments and accrued income	2,052,763	1,462,336	1,931,936	1,436,637
Amounts owed by Joint Venture Partners	255,640	71,524	193,641	70,108
Amounts owed by related companies	4,630	-	4,630	-
Amounts owed by subsidiary undertaking	-	-	146,982	344,183
Corporation tax recoverable	-	-	-	-
Other debtors	363,771	212,749	88,416	110,353
	<u>6,321,988</u>	<u>7,575,239</u>	<u>5,192,684</u>	<u>7,036,198</u>

All debtors fall due within one year.

# ChamberLink Limited

## NOTES TO THE ACCOUNTS

At 31 July 2008

### 15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Unsecured bank overdraft	-	9,160	-	9,160
Working capital loan from Joint Venture Partner	747,000	762,500	747,000	762,500
Trade creditors	959,052	2,372,907	412,858	1,763,264
Other creditors	19,738	114,934	19,738	17,965
Corporation tax	9,753	-	518	-
Other taxes and social security costs	132,795	363,740	110,491	239,375
Amounts owed to Joint Venture Partners	248,733	15,311	248,733	311
Amounts owed to related companies	13,510	-	13,510	-
Amounts owed to subsidiary undertaking	-	-	51,074	148,929
Accrued expenditure and deferred income	2,368,055	3,071,669	2,008,790	2,907,052
	<u>4,498,636</u>	<u>6,710,221</u>	<u>3,612,712</u>	<u>5,848,556</u>

### 16. PROVISIONS FOR LIABILITIES AND CHARGES

Group	SBS provision £	ERDF £	Deferred taxation	Leasehold dilapidations £	Total £
At 1 August 2007	-	-	149	-	149
Additional provision made	-	255,000	-	-	255,000
Provision released	-	-	(149)	-	(149)
	<u>-</u>	<u>255,000</u>	<u>-</u>	<u>-</u>	<u>255,000</u>
At 31 July 2008	-	255,000	-	-	255,000

#### Company

	SBS provision £	ERDF £	Leasehold dilapidations £	Total £
At 1 August 2007	-	-	-	-
Utilised/released in the year	-	-	-	-
Additional provision made	-	255,000	-	255,000
	<u>-</u>	<u>255,000</u>	<u>-</u>	<u>255,000</u>
At 31 July 2008	-	255,000	-	255,000

# ChamberLink Limited

## NOTES TO THE ACCOUNTS

At 31 July 2008

### 17. PENSION LIABILITY

#### Group and Company

The company participates in a funded defined benefit scheme in the UK. Details of the company's share of the scheme assets and liabilities are given below. Pension contributions are determined by a qualified actuary based on triennial valuations. A full actuarial valuation was carried out at 1 July 2003 and updated to 31 July 2007 by a qualified actuary.

ChamberLink Limited's share of the fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long years and thus inherently uncertain, are:

Analysis of the amounts recognised in the balance sheet	2008 £	2007 £	2006 £
Present value of funded obligations	2,166,000	2,257,000	2,753,000
Fair value of plan assets	1,617,000	1,570,000	1,492,000
Surplus/(deficit) in plan	(549,000)	(687,000)	(1,261,000)
Restriction on recoverable surplus	-	-	-
Present value of unfunded obligations	-	-	-
Unrecognised past service cost	-	-	-
Total surplus/(deficit) recognised	(549,000)	(687,000)	(1,261,000)

Analysis of amounts recognised in profit or loss	Year ending 31 July 2008 £	Period ending 31 July 2007 £	Year ending 31 March 2006 £
Current service cost	95,000	278,000	271,000
Interest on obligation	122,000	139,000	110,000
Expected return on plan assets	(112,000)	(105,000)	(70,000)
Past service costs	-	-	-
Losses/gains on curtailments and settlements	-	-	-
Impact of any of limit on recognisable surplus	-	-	-
Total operating charge	105,000	312,000	311,000

# ChamberLink Limited

## NOTES TO THE ACCOUNTS

At 31 July 2008

Analysis of amounts recognised in the statement of total recognised gains and losses (STRGL)	Year ending 31 July 2008 £	Period ending 31 July 2007 £	Year ending 31 March 2006 £
Actuarial gains/(losses) on the assets and liabilities	93,000	729,000	(150,000)
Restriction due to limit on recoverable surplus	-	-	-
Total gain/(loss) recognised	93,000	729,000	(150,000)

### Reconciliation of change in defined benefit obligation

	2008 £	2007 £
Opening defined benefit obligation	2,257,000	2,753,000
Current service cost	95,000	278,000
Interest cost	122,000	139,000
Actual contributions paid by plan participants	45,000	64,000
Actuarial (gains)/losses on obligation	(317,000)	(935,000)
Foreign currency exchange rate impact	-	-
Benefits paid	(36,000)	(42,000)
Past service costs	-	-
Business combinations	-	-
Curtailment losses/(gains)	-	-
Settlement losses/(gains)	-	-
	2,166,000	2,257,000

### Reconciliation of change in plan assets

	2008 £	2007 £
Fair value of plan assets at start of accounting period	1,570,000	1,492,000
Expected return on plan assets	112,000	105,000
Actuarial gains/(losses) on assets	(224,000)	(206,000)
Gains/(losses) due to foreign currency exchange rate changes	-	-
Contributions paid by employer	150,000	157,000
Actual contributions paid by plan participants	45,000	64,000
Benefits paid	(36,000)	(42,000)
Business combinations	-	-
Settlements	-	-
	1,617,000	1,570,000



# ChamberLink Limited

## NOTES TO THE ACCOUNTS

At 31 July 2008

Further disclosures relating to the plan assets	2008 £	2007 £
<b>The major categories of plan assets, measured at fair value are:</b>		
Equities/property	1,041,000	1,366,000
Gilts and bonds	74,000	47,000
Cash	502,000	157,000
Other	-	-
	<hr/>	<hr/>
Total fair value of assets	1,617,000	1,570,000
	<hr/>	<hr/>
<b>Amount included in fair value of assets for the following items:</b>		
Each category of the company's own financial instruments	-	-
Property or other assets used by the company	-	-
	<hr/>	<hr/>
Total	-	-
	<hr/>	<hr/>
Actual return on plan assets during the period is:	-112,000	-101,000
<b>Principle actuarial assumptions as at the end of the accounting period:</b>	<b>2008</b>	<b>2007</b>
Discount rate at the end of the period (% pa)	6.60%	5.30%
Expected return on the plan assets (% pa)	6.60%	6.85%
Rate of increases in salaries (% pa)	3.85%	3.25%
Rate of future inflation (% pa)	3.60%	3.00%
Rate of increase (% pa) in future pensions in payment, split:		
Inflation linked up to 5% pa	3.60%	3.00%
Inflation linked up to 2.5% pa	2.40%	2.30%
Inflation linked, with a minimum of 3% pa and a max of 5% pa	N/A	N/A
Mortality table pre retirement	PM/FA92 YOB mc	AM/F92
Mortality table post retirement, split:		
Member not yet retired	PM/FA92 YOB mc	PM/FA92C20- 2
Current pensioners	PM/FA92 YOB mc	PM/FA92C10
Allowance for early retirements (Y/N)	N	N
Allowance for members to commute pension for tax-free cash (Y/N)	N	N

NOTES TO THE ACCOUNTS

At 31 July 2008

The overall expected return assumption is calculated as the weighted average of the individual expected return assumptions for each of the major asset classes. The individual return assumptions are based on investment market conditions in the UK, specifically with regard to yields on UK Government gilts, high quality AA rated corporate bonds, and interest rates set by the Bank of England. Equity returns in well established global markets are generally expected to outperform the return on gilts by 3% pa or more in the long term, and such anticipated outperformance has been taken into account in deriving the expected return from equity type investments.

The weightings used for the overall expected return are in line with the proportions invested in each of the major asset classes, and a deduction to allow for investment expenses has been made.

Presentation of amounts for the current and previous four periods are as follows:

	2008 £000	2007 £000	2006 £000	2005 £000	2004 £000
Defined benefit obligation	2,166	2,257	2,753	1,979	1,424
Plan assets	1,617	1,570	1,492	1,001	699
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Surplus/(deficit)	(549)	(687)	(1,261)	(978)	(725)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Experience adjustments on plan liabilities: gains/(losses)	(128)	240	(6)	(38)	(55)
Experience adjustments on plan assets	(224)	(206)	250	5	67

Other disclosures - including description of plan and expected contributions

1. The plan is a final salary pension arrangement where members receive benefits based on their final salary.
2. The plan is open to new entrants.
3. The plan also provides benefits to spouses/dependents in the event of a member's death before or after retirement.
4. The company expects to pay contributions in the region of £150,000 to the plan during the next accounting period.

# ChamberLink Limited

## NOTES TO THE ACCOUNTS

At 31 July 2008

### 18. SHARE CAPITAL

	2008		2007	
	Authorised	Allotted called-up and fully paid	Authorised	Allotted called-up and fully paid
	£	£	£	£
"A" ordinary shares of £1	500	2	500	2
"B" ordinary shares of £1	500	-	500	-
	<u>1,000</u>	<u>2</u>	<u>1,000</u>	<u>2</u>

### 19. MOVEMENTS ON RESERVES

Group	Income and expenditure account	Share premium account	Total
	£	£	£
At 1 August 2007	434,953	263,311	698,264
Surplus for the year	661,959	-	661,959
Actuarial gain relating to the pension scheme	93,000	-	93,000
	<u>1,189,912</u>	<u>263,311</u>	<u>1,453,223</u>
At 31 July 2008	1,189,912	263,311	1,453,223

Company	Income and expenditure account	Share premium account	Total
	£	£	£
At 1 August 2007	448,464	263,311	711,775
Surplus for the year	30,127	-	30,127
Actuarial gain relating to the pension scheme	93,000	-	93,000
	<u>571,591</u>	<u>263,311</u>	<u>834,902</u>
At 31 July 2008	571,591	263,311	834,902

# ChamberLink Limited

## NOTES TO THE ACCOUNTS

At 31 July 2008

### 20. RECONCILIATIONS OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group 2008 £	Group 2007 £	Company 2008 £	Company 2007 £
Surplus/(deficit) for the financial year	661,959	73,862	30,127	92,655
Actuarial gain/(loss) relating to the pension scheme	93,000	729,000	93,000	729,000
Movement in share premium	-	(11,689)	-	(11,689)
Net addition to/(reduction in) shareholders' funds	754,959	791,173	123,127	809,966
Opening shareholders' funds	698,266	(92,907)	711,777	(98,189)
Closing shareholders' funds	1,453,225	698,266	834,904	711,777

### 21. FINANCIAL COMMITMENTS

The annual commitments under operating leases, which are analysed according to the year in which the lease expires, are as follows:

Group	Land and buildings		Other	
	31/07/08 £	31/07/07 £	31/07/08 £	31/03/07 £
Expiry date:				
Within one year	6,424	41,408	-	-
Between one and five years	-	6,424	17,400	-
In over five years	-	-	-	-
	6,424	47,832	17,400	-
Company	Land and buildings		Other	
	31/07/08 £	31/07/07 £	31/07/08 £	31/03/07 £
Expiry date:				
Within one year	-	-	-	-
Between one and five years	-	-	-	-
In over five years	-	-	-	-
	-	-	-	-

# ChamberLink Limited

## NOTES TO THE ACCOUNTS

At 31 July 2008

### 22. NOTES TO THE CASH FLOW STATEMENT

#### (a) Reconciliation of operating surplus/(deficit) to net cash inflow/(outflow) from operating activities

	2008 £	2007 £
Operating surplus/(deficit)	581,209	106,784
Pension liability service costs	(55,000)	121,000
Depreciation & amounts written off fixed assets	73,228	401,046
Amortisation	(102,005)	(102,005)
Decrease in debtors	1,235,969	3,250,437
Decrease in creditors	(2,196,675)	(1,059,405)
Increase in provisions	254,998	(1,266,958)
Movement in share premium	-	(11,689)
	<u>(208,276)</u>	<u>1,439,210</u>

#### (b) Analysis of net funds / (debts)

	At start of year £	Cash flow £	Acquisition £	31 July 2008 £
Cash at bank and in hand	1,355,958	(217,636)	-	1,138,322
Bank overdraft	(9,160)	9,160	-	-
Working capital loan from Joint Venture Partner	(762,500)	15,500	-	(747,000)
	<u>584,298</u>	<u>(192,976)</u>	<u>-</u>	<u>391,322</u>

### 24. RELATED PARTY TRANSACTIONS

During the year the company was charged for premises, service charges and recharges in the normal course of business by the two Joint Venture Partners, Economic Solutions Limited and Greater Manchester Chamber of Commerce, amounting to £2,662,761 (2007: £5,273,933).

Also during the year, the company provided funding and recharged costs and services in the normal course of business to the two Joint Venture Partners amounting to £795,931 (2007: £407,221).

Details of directors' interests in contracts are set out in note 25.

NOTES TO THE ACCOUNTS

At 31 July 2008

**25. INTERESTS IN CONTRACTS OF DIRECTORS AND SENIOR EMPLOYEES**

Certain directors and senior employees of the company hold senior positions in bodies that received income from the company in the normal course of business:

Organisation	Director	Amounts received/ (paid) in year £	Balance at year end £
Addleshaw Goddard LLP	T Johnston	810	1,174
Addleshaw Goddard LLP	T Johnston	(51,049)	-
Tibard Laundry Services Ltd	J Shonfeld	(281)	-
Manchester Central Convention Complex Ltd	A Robinson	(1,377)	-

The company is a joint venture company owned 50% by Economic Solutions Limited. The following transactions have taken place between the company and Economic Solutions Limited's subsidiaries, in the ordinary course of business:

Organisation	Amounts received/(paid) in year £	Balance at year end £
Business Regulation Solutions Ltd	175	103
Better Choices Ltd	640	-
Intrain Ltd	465	-
Skills Solutions Ltd	2,480	407
The Enterprise Fund Ltd	10,081	4,120
The Enterprise Fund Ltd	(13,510)	(13,510)

The following directors and senior employees of the company held senior positions in either or both of the Joint Venture Partners, transactions with which are set out in note 24.

Director/senior employee	Joint Venture Partner	Position in JV Partner
R Guy	Economic Solutions Ltd	Director
A Robinson	Greater Manchester Chamber of Commerce	Director
T Smith	Economic Solutions	Director
T Johnston	Greater Manchester Chamber of Commerce	Director