

THE PLANNING EXCHANGE

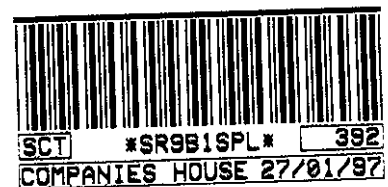
(Company Limited by Guarantee)

FINANCIAL STATEMENTS

31 MARCH 1996

Company Registration Number SC073119

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THE PLANNING EXCHANGE

(Company Limited by Guarantee)

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1996

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THE PLANNING EXCHANGE

(Company Limited by Guarantee)

OFFICERS AND PROFESSIONAL ADVISERS

Non - Executive Directors

W D C Lyddon, CB Chairman (until 5 Nov 1996)
B Millan, (appointed Nov 1996)
B Fraser (resigned Aug 1995)
G Hazel (appointed Dec 1995)
L M Houston (resigned 5 Nov 1996)
I S Hutchison OBE (resigned Dec 1995, appointed
5 Nov 1996)
G Kennedy (appointed Dec 1995)
C Oppenheim (resigned Dec 1995)
R Robinson(resigned Nov 1996)
J Spens
M Turner (resigned Dec 1995)

Executive Directors

A W Burton, OBE Managing Director
C Young Marketing Director (co-opted Feb
1996, resigned 5 Nov 1996)
A E Moore,C.A.,Finance Director (appointed Nov 1996)

COMPANY SECRETARY

A W Burton, OBE

REGISTERED OFFICE

Tontine House
8 Gordon Street
GLASGOW
G1 3PL

AUDITORS

KPMG
Chartered Accountants & Registered Auditors
24 Blythswood Square
GLASGOW
G2 4QS

SOLICITORS

McClure Naismith, Anderson Gardiner
292 St. Vincent Street
GLASGOW
G2 5TQ

BANKERS

Royal Bank of Scotland
100 West Regent Street
GLASGOW G2 1PP

THE PLANNING EXCHANGE

(Company Limited by Guarantee)

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 1996

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 1996.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the Planning Exchange are the provision of information and the upkeep of a library and databases on all aspects of urban and rural policy and development, the design and organisation of seminars and conferences, the publishing of case studies, reports and books, and the carrying out of research and consultancy.

Financial Review

The results for the year are shown in the following balance sheet and income and expenditure account. The deficit for the year amounting to £15,749 will be added to the deficiency on the income and expenditure account brought forward from the previous year. The deficit was largely the result of one particular project taking a year longer than planned to complete and the one off increased costs which were incurred as a result of closing the Manchester office and the consolidation of all services in the new offices in Glasgow. During the latter part of the year the company invested in many additional documents and journals in preparation to launching its enhanced information service *ISLA* in the new financial year. Additional financial support was received from the Scottish Office for this purpose.

DIRECTORS

Non - Executive Directors

W D C Lyddon, CB Chairman (until 5 Nov 96)
B Millan, Chairman (appointed Nov 96)
B Fraser (resigned Aug 1995)
G Hazel (appointed Dec 1995)
L M Houston (resigned Nov 1996)
I S Hutchison OBE (resigned Dec 1995, appointed Nov 1996)
G Kennedy (appointed Dec 1995)
C Oppenheim (resigned Dec 1995)
R Robinson (resigned Nov 1996)
J Spens
M Turner (resigned Dec 1995)

Executive Directors

A W Burton, OBE Managing Director
C Young Marketing Director (co-opted Feb 1996, resigned Nov 1996)
A E Moore, C.A., Finance Director (appointed Nov 96)

FIXED ASSETS

The movements in fixed assets are recorded in the notes to the financial statements.

THE PLANNING EXCHANGE

(Company Limited by Guarantee)

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 1996

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the surplus or deficiency for the year then ended.

In preparing those financial statements, the directors are required to

select suitable accounting policies, as described on page 8, 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. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint KPMG as auditors proposed and passed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Tontine House
8 Gordon Street
GLASGOW
G1 3PL

Signed on behalf of the directors



A W Burton, OBE
Company secretary

Approved by the director on 21 January 1997

THE PLANNING EXCHANGE

(Company Limited by Guarantee)

REPORT OF THE AUDITORS, KPMG, TO THE MEMBERS OF THE PLANNING EXCHANGE

We have audited the financial statements on pages 6 to 14.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4, the directors of the company are responsible for the preparation of the 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, 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.

GOING CONCERN

The financial statements have been prepared on a going concern basis. In forming our opinion, we have considered the adequacy of the disclosures made on page 8 of the financial statements concerning the company's ability to continue as a going concern. Our opinion is not qualified in this respect.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 1996 and of its deficit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

KPMG

24 Blythswood Square
GLASGOW
G2 4QS

KPMG
Chartered Accountants
Registered Auditors

22 January 1997

THE PLANNING EXCHANGE

(Company Limited by Guarantee)

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 1996

	Note	1996 £	1995 £
INCOME	3.	1,141,993	1,332,463
Direct Costs		(407,071)	(450,428)
GROSS CONTRIBUTION		734,922	882,035
Distribution costs		(23,528)	(17,895)
Administrative expenses	5.-6.	(884,773)	(934,044)
OPERATING DEFICIENCY	4.	(173,379)	(69,904)
Grant Income	7.	160,000	50,000
Interest receivable	7.	1,541	1,580
Interest payable and similar charges	8.	(3,911)	(3,660)
DEFICIENCY FOR THE FINANCIAL YEAR		<u>(15,749)</u>	<u>(21,984)</u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

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BALANCE SHEET

31 MARCH 1996

	Note	1996 £	1995 £
FIXED ASSETS			
Tangible assets	9.	99,479	86,441
CURRENT ASSETS			
Debtors	10.	126,996	176,936
Cash at bank and in hand		58,136	93,505
		<u>185,132</u>	<u>270,441</u>
CREDITORS: Amounts falling due within one year	11.	<u>(342,678)</u>	<u>(394,504)</u>
NET CURRENT LIABILITIES		(157,546)	(124,063)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(58,067)</u>	<u>(37,622)</u>
CREDITORS: Amounts falling due after more than one year	12.	<u>(469)</u>	<u>(5,165)</u>
NET LIABILITIES		<u>(58,536)</u>	<u>(42,787)</u>
RESERVES			
Income & Expenditure account		<u>(58,536)</u>	<u>(42,787)</u>
DEFICIENCY ON RESERVES		<u>(58,536)</u>	<u>(42,787)</u>

These financial statements were approved and signed by the directors on 21 January 1997, and are signed on their behalf by:

W DC LYDDON CB

DIRECTOR

J SPENS

DIRECTOR

THE PLANNING EXCHANGE

(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1996

1. COMPANY LIMITED BY GUARANTEE

The Company is limited by guarantee to the extent of £1 for each member in terms of the Companies Act 1985 and does not have a share capital. In the event of a winding up or dissolution of the Company, in terms of Article 71 of the Articles of Association, any surplus assets shall be transferred to some other institution recognised as a charity in law and having objects similar to the objects of the company.

2. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared on a going concern basis which assumes that the company will continue to trade. The validity of this assumption is dependent on the support of the subscribers to the company's services, the company's bankers and the receipt of adequate grant and loan income. If the company were unable to continue to trade, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

The financial statements have been prepared in accordance with applicable accounting standards and Statement of Recommended Practice No 2 - Accounting by Charities and the Charities Accounts (Scotland) Regulations 1992 .

Income

The income shown in the income and expenditure account represents amounts invoiced during the year, exclusive of Value Added Tax.

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:

Library	3 Years
Fixtures & Fittings	6 Years
Computer Equipment & software	3-5 years

Library purchases are capitalised in the year of purchase and depreciated over three years.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the income and expenditure account.

Operating leases

Rentals paid under operating leases are charged to the income and expenditure account in the year in which they are incurred.

THE PLANNING EXCHANGE

(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1996

2.(cont'd)

Grants

Revenue grants are credited to the income and expenditure account in the year in which they are received.

Pension Costs

The employees of the company have an option to be members of Strathclyde Regional Council pension scheme. The pension scheme is a defined benefit scheme with employee contributions fixed by statute. Employers' contribution are assessed every three years by a consulting actuary and are calculated to ensure the actuarial solvency of the fund. An actuarial valuation of the fund as at 31 March 1993 confirmed that the scheme was fully funded and the existing assets of the scheme were more than sufficient to cover the value of the past service liabilities based on completed pensionable service and final pensionable earnings projected through to each member's normal retirement age or assumed date of withdrawal.

As a result of the actuarial valuation, contributions made by the Planning Exchange to the Scheme during the year totalled £10,644 (1995, £3,705).

Cash Flow Statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it qualifies as a small company.

3. Income

The Income and deficit are attributable to the one principal activity of the company.

Income is analysed as follows:-

	1996	1995
	£	£
Local Authority Subscriptions	296,894	274,815
Other Subscriptions	233,345	210,502
Seminars	158,629	222,099
Projects	250,485	451,035
Publications	191,279	148,421
Information Unit	11,361	21,640
Other	-	3,951

At 31 March, the number of members subscribing to the Planning Exchange was as follows:

	1996	1995
Local Authority Members	94	91
Other Members	174	174
	-----	-----
	268	265
	=====	=====

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(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1996

4. OPERATING DEFICIENCY

Operating deficit is stated after charging:

	1996	1995
	£	£
Depreciation	67,689	32,440
Profit on disposal of fixed assets	(693)	(800)
Auditors' remuneration - as auditors	3,000	4,200
Operating lease costs:		
Plant and equipment	637	35,186
Vehicles	4,353	3,817

5. PARTICULARS OF EMPLOYEES

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

	1996	1995
	No.	No.
Part time	5	5
Full time	28	30
	<u>33</u>	<u>35</u>

The aggregate payroll costs of the above were:

	1996	1995
	£	£
Wages and salaries	534,687	514,700
Social security costs	44,986	45,217
Other pension costs	10,644	3,705
	<u>590,317</u>	<u>563,622</u>

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1996

6. DIRECTORS' EMOLUMENTS

The directors' emoluments were:

	1996 £	1995 £
Remuneration as directors	<u>61,833</u>	<u>48,983</u>

The remuneration of the chairman amounted to £nil (1995 - £nil), and the highest paid director amounted to £51,877 (1995 -£48,121). Ten (1995 -nine) of the directors received £nil emoluments. The number of directors whose emoluments, excluding pension contributions, fell in each £5,000 bracket was as follows :

	1996	1995
£0 - £5,000	10	9
£ 5,001 -£10,000	1	-
£45,001 -£50,000	-	1
£50,001 -£55,000	1	-

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	1996 £	1995 £
Bank interest receivable	<u>1,541</u>	<u>1,580</u>

GRANT INCOME

Other grant income	110,000	-
Grant- Scottish Development Dept.	<u>50,000</u>	<u>50,000</u>
	<u>160,000</u>	<u>50,000</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	1996 £	1995 £
Bank loans/overdrafts repayable within five years	3,294	3,660
HP/Finance lease charges	<u>617</u>	<u>-</u>
	<u>3,911</u>	<u>3,660</u>

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1996

9. TANGIBLE FIXED ASSETS

	Library	Fixtures and Fittings	Computer Equipment & Software	Total
	£	£	£	£
COST				
At 1 April 1995	180,340	19,966	237,150	437,456
Additions	48,748	980	32,314	82,042
Disposals	-	(1,000)	(1,599)	(2,599)
At 31 March 1996	<u>229,088</u>	<u>19,946</u>	<u>267,865</u>	<u>516,899</u>
DEPRECIATION				
At 1 April 1995	144,100	6,745	200,170	351,015
Charge for year	40,410	3,257	24,028	67,695
On disposals	-	(1,000)	(290)	(1,290)
At 31 March 1996	<u>184,510</u>	<u>9,002</u>	<u>223,908</u>	<u>417,420</u>
NET BOOK VALUE				
At 31 March 1996	<u>44,578</u>	<u>10,944</u>	<u>43,957</u>	<u>99,479</u>
At 31 March 1995	<u>36,240</u>	<u>13,221</u>	<u>36,980</u>	<u>86,441</u>

Included in the total net book value of computer equipment and software is £5,095 (1995 :£nil) in respect of assets held under finance leases. Depreciation for the year on these assets was £1,019 (1995 : £nil)

Capital commitments

	1996 £	1995 £
Contracted but not provided for in the accounts	<u>9,118</u>	<u>-</u>
Authorised but not contracted for	<u>50,000</u>	<u>22,626</u>

10. DEBTORS

	1996 £	1995 £
Trade debtors	81,481	152,887
Other debtors	8,349	589
Prepayments and accrued income	<u>37,166</u>	<u>23,460</u>
	<u>126,996</u>	<u>176,936</u>

THE PLANNING EXCHANGE

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1996

11. CREDITORS: Amounts falling due within one year

	1996		1995	
	£	£	£	£
Bank loans and overdrafts		23,562		-
Trade creditors		68,539		82,344
Other creditors including taxation and social security:				
Taxation and social security	39,312		62,988	
HP and finance leases	3,764		-	
Other creditors	9,401		59,962	
		<u>52,477</u>		<u>122,950</u>
Accruals and deferred income		198,100		189,210
		<u>342,678</u>		<u>394,504</u>

Bank loans and overdrafts are secured by a bond and floating charge and an impledgement of £25,000 National Savings Income Bonds held by the company's bankers.

12. CREDITORS: Amounts falling due after more than one year

	1996	1995
	£	£
Other creditors:		
HP and finance leases	469	-
Other creditors	-	5,165
	<u>469</u>	<u>5,165</u>

13. LEASING COMMITMENTS

Annual commitments in respect of operating leases are as follows:

	1996		1995	
	£	£	£	£
	Land & Buildings	Other	Land & Buildings	Other
Leases which expire:				
Within one year		9,057	-	10,701
from two to five years	-	992	-	4,711
Outwith five years	83,200	-	83,200	-
	<u>83,200</u>	<u>10,049</u>	<u>83,200</u>	<u>15,412</u>

THE PLANNING EXCHANGE

(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1996

14. RECONCILIATION OF MOVEMENTS IN RESERVES

	1996 £	1995 £
Deficit for the financial year	(15,749)	(21,984)
Opening deficiency	<u>(42,787)</u>	<u>(20,803)</u>
Closing deficiency	<u>(58,536)</u>	<u>(42,787)</u>

15. TAX STATUS

The Planning Exchange is a company limited by guarantee which enjoys charitable status for tax purposes.