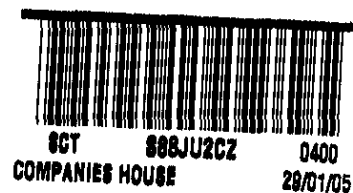


The Planning Exchange Foundation

**Directors' report and financial
statements**

Registered number SC73119

31 March 2004



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Legal and administrative information

Charity name	The Planning Exchange Foundation
Registered company number	SCO73119
Registered charity number	SCO10929
Registered office	292 St Vincent Street Glasgow G2 5TQ
Executive directors	PM McEwan (Finance Director)
Non-executive directors	E Cunningham CBE FRSE (Chairman) WDC Lyddon, CB (resigned 5 September 2003) JA Spens (resigned 5 September 2003) Professor PW Roberts K Hayton (appointed 18 February 2004)
Company secretary	AW Burton, OBE
Governing document	The charity is a company limited by guarantee
Objects of the charity	To advance the education of the UK public and to thereby create a better understanding of economic, environmental and social planning issues
Advisors	Auditors KPMG LLP Chartered Accountants & Registered Auditor 191 West George Street Glasgow G2 2LJ Solicitors McClure Naismith 292 St Vincent Street Glasgow G2 5TQ Bankers The Royal Bank of Scotland Glasgow City Branch 10 Gordon Street Glasgow G1 3PL

Directors' report

The directors, who are also the trustees for the purposes on charity law, present their annual report and the audited financial statements for the year ended 31 March 2004. Legal and administrative information regarding the charity is given on page 1.

Principal activities

The aim of The Planning Exchange Foundation is to advance the education of the UK public and to thereby create a better understanding of economic, environmental and social planning issues.

Results and review of activities

The directors are currently reviewing how the revised objects of the charity can be achieved without incurring the expense of a staff establishment.

Directors

The directors (Members of the Committee of Management) who served the charity during the period are shown on page 1. The directors are elected by the voting members of The Planning Exchange Foundation.

Risk policy

The directors have identified and reviewed the major risks to which the charity is exposed and systems have been established to lessen these risks.

Reserves policy

Unrestricted funds of the charity are £250,791 at 31 March 2004 (2003: £232,674). The directors are currently reviewing how the objectives can be achieved without incurring the expense of a staff establishment.

Auditors

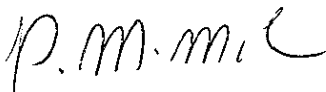
In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Small company special provision

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

PM McEwan
Director



Registered Office
292 St Vincent Street
Glasgow
G2 5TQ

27 January 2005

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 affairs of the company at the end of the year and of the excess of income over expenditure 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 and statements 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

191 West George Street
Glasgow
G2 2LJ
United Kingdom

Report of the independent auditors to the members of The Planning Exchange Foundation

We have audited the financial statements on pages 5 to 14 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

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 are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, 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 affairs of the charitable company as at 31 March 2003, and of its incoming resources and application of resources, including its income and expenditure, in the year then ended, and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

KPMG LLP
Chartered Accountants
Registered Auditor

28 January 2005

Statement of financial activities
(incorporating an income and expenditure account)
for the year ended 31 March 2004

	Notes	2004 Total £	2003 £
Incoming resources			
Donations and similar income	3	-	501,163
Investment income	4	13,934	5,290
Other incoming resources			
Gain on transfer of business and assets	5	-	12,758
Licence income	5	10,000	9,166
		<hr/>	<hr/>
		23,934	528,377
Resources expended			
Cost of activities in furtherance of the charity's objects	6	-	153,794
Management and administration	7	5,817	190,991
		<hr/>	<hr/>
		5,817	344,785
Net movement in funds		<hr/>	<hr/>
		18,117	183,592
Total funds brought forward		<hr/>	<hr/>
		232,674	49,082
Total funds carried forward		<hr/>	<hr/>
		250,791	232,674

There were no recognised gains or losses in either year other than those stated above.

During the year ending 31 March 2003 activities in respect of the information service were discontinued.

Balance sheet
at 31 March 2004

	<i>Note</i>	2004	2003
		£	£
Current assets			
Debtors	<i>12</i>	21,092	118,273
Cash at bank and in hand		325,849	256,963
		<u>346,941</u>	<u>375,236</u>
Creditors: Amounts falling due within one year	<i>13</i>	(6,050)	(8,062)
		<u>340,891</u>	<u>367,174</u>
Net current assets/(liabilities)			
		340,891	367,174
Total assets less current liabilities			
		340,891	367,174
Provisions for liabilities and charges	<i>14</i>	(90,100)	(134,500)
		<u>250,791</u>	<u>232,674</u>
Net assets			
		250,791	232,674
Funds:			
Restricted funds		-	-
Unrestricted funds		250,791	232,674
		<u>250,791</u>	<u>232,674</u>

These financial statements have been prepared in accordance with the special provisions at Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the board of directors on 27 January 2005 and were signed on its behalf by:

PM McEwan
 Director

P.M. McE

Notes

(forming part of the financial statements)

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 charity.

2 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under historical cost accounting rules, the Statement of Recommended Practice - Accounting and Reporting by Charities (issued in October 2000), the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 and regulations thereunder and the Companies Act 1985.

Incoming resources

The income shown in the statement of financial activities represents amounts invoiced during the year, exclusive of Value Added Tax. Investment income represents income earned on the charity's cash balances. Subscription income represents invoices for subscriptions which commence in the financial year. Subscriptions invoiced for periods commencing after the end of the financial year are treated as deferred income and included in creditors.

Resources expended

The expenses shown as costs in furtherance of the charity's objects represent the costs of delivering planning services and information to the charity's membership. Management and administration expenses represent the overhead expenses of running the charity. Resources expended include irrecoverable VAT.

Funds

Funds are classified as either restricted funds or unrestricted funds, defined as follows:

- restricted funds represents income from the National Lottery Community Fund which must be used for specific purposes
- unrestricted funds are expendable at the discretion of the directors in furtherance of the objects of the charity.

Operating leases

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

Notes (continued)

Accounting policies (continued)

Pension costs

Retirement benefits for most employees of the Planning Exchange Foundation are provided by Strathclyde Pension Fund. These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme. Contributions to the schemes are charged to the statement of financial activities so as to spread the cost of pensions over employees' working lives with the Foundation in such a way that the pension cost is a substantially level percentage of present and future pensionable payroll. Variations from regular costs are spread over the expected average remaining working lifetime of members of the schemes after making allowances for further withdrawals. The contributions are determined by qualified actuaries, on the basis of triennial valuations, using the projected unit method.

Provisions

The charity recognises a provision when management believe that the economic benefits of agreements it has entered into fall short of meeting the unavoidable costs of performing its obligations under the agreement. The charity does not discount such liabilities.

Cash Flow Statement

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

Taxation

The organisation is recognised by the Inland Revenue as a charity for the purposes of section 505 of the Income and Corporation Taxes Act 1988 and is entitled under section 1(7) of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 to describe itself as a Scottish charity.

3 Incoming resources: donations and similar income

The income is attributable to the one principal activity of the charity. Income is analysed as follows:

	2004 £	2003 £
Information Service:		
Subscriptions	-	410,988
Other income	-	79,698
Seminars	-	6,100
Projects	-	3,369
Publications	-	1,008
	<hr/>	<hr/>
	-	501,163
	<hr/>	<hr/>

Included within other income is income of £ nil (2003: £57,431) from the Community Fund of the National Lottery.

Notes (continued)

3 Incoming resources: donations and similar income (continued)

At 31 March the number of members subscribing to The Planning Exchange Foundation numbers was as follows:

	2004 Number	2003 Number
Members	7	7

4 Investment income

	2004 £	2003 £
Bank interest receivable	12,110	5,290
Other interest receivable	1,824	-
	<u>13,934</u>	<u>5,290</u>

5 Other incoming resources

	2004 £	2003 £
Proceeds from transfer of business and assets	-	392,725
Net book value of assets transferred	-	(379,967)
	<u>-</u>	<u>(379,967)</u>
Gain on transfer of business and assets	-	12,758

On 29 April 2002, the members at an EGM, agreed a sale of certain parts of the trade, assets and liabilities of The Planning Exchange to IDOX Information Services Limited, a subsidiary of i-documentsystems group plc. The sale was completed on 7 May 2002.

A further £10,000 is due to the charity on each calendar year after completion for five years subject to performance of duties stipulated in the sale agreement.

	2004 £	2003 £
Licence income	<u>10,000</u>	<u>9,166</u>

Notes (continued)

6 Costs of activities in furtherance of the charity's objects

	2004 £	2003 £
<i>Direct costs</i>		
Information Service	-	20,793
Seminars	-	11,501
Projects	-	38,475
Publications	-	2,471
<i>Other costs</i>		
Personnel costs	-	50,680
Rent and Rates	-	12,768
Telephone	-	470
Postage	-	5,971
Stationery	-	1,636
Cleaning	-	620
Depreciation	-	4,595
Lease costs	-	1,442
Web costs	-	2,372
	<hr/>	<hr/>
	-	153,794
	<hr/>	<hr/>

7 Management and administration costs

	2004 Unrestricted £	2003 Unrestricted £
Property costs		
- rent*	17,000	-
- (credit)/charge in respect of onerous lease provision	(44,400)	134,500
- other	13,122	1,658
Heat and light	-	1,173
Legal/professional fees	5,350	42,505
Accountants fees	5,948	7,000
Other expenditure	2,489	4,005
Bank interest	-	150
Personnel	2,500	-
Consultancy	4,102	-
Rent and rates	(592)	-
Postage	100	-
Stationery	198	-
	<hr/>	<hr/>
	5,817	190,991
	<hr/>	<hr/>

*In 2003, rent was charged to costs of activities in furtherance of the charity's objects.

Notes (continued)

8 Net movements in funds

Operating surplus is stated after charging:

	2004 £	2003 £
Depreciation - owned assets	-	4,595
Auditor's remuneration		
Audit fee	2,750	3,700
Other	-	3,300
Operating lease costs of plant and equipment	-	1,442
Operating lease costs of land and buildings	17,000	16,000

9 Particulars of employees

The average number of staff (full time equivalents) employed by the charity during the financial year was Nil (2003: 7) following the disposal of the information service; one director (2003:one) was retained by the charity on a part time basis to provide administrative services.

The aggregate payroll costs of these employees were:

	2004 £	2003 £
Wages and salaries	2,500	41,028
Social security costs	-	3,250
Pension costs	-	6,402
	<u>2,500</u>	<u>50,680</u>

There were no employees whose emoluments, excluding pension contributions, exceeded £50,000.

10 Remuneration of directors

	2004 £	2003 £
Directors' emoluments (including benefits)	2,500	7,999
Fees	-	-

The remuneration of the Chairman and the non-executive directors amounted to £nil (2003: £nil).

The articles of the charity allow remuneration to be paid to directors.

Expenses totalling £538 (2003: £793) were paid to 3 trustees (2003: 5) in respect of travel expenses.

Notes (continued)

11 Interest payable

	2004 £	2003 £
On bank loans and overdrafts	-	150

Interest payable is included in the statement of financial activities within management and administration expenses.

12 Debtors

	2004 £	2003 £
Other debtors	3,037	109,107
Prepayments and accrued income	18,055	9,166
	<u>21,092</u>	<u>118,273</u>

13 Creditors: amounts falling due within one year

	2004 £	2003 £
Accruals	6,050	8,062

14 Provisions for liabilities and charges

	Other provisions £
At beginning of year	134,500
Charged to statement of financial activities during year	7,600
Credited to statement of financial activities during year	(52,000)
At end of year	<u>90,100</u>

Other provisions comprises a provision for a leasehold property where the unavoidable costs of meeting the lease agreement exceed the economic benefits expected to be received under it. The charge to management and administration expenses represents the impact of a rent review. The credit to management and administration expenses represents the charge for the year and the sublease of the property for a three year period.

Notes (continued)

15 Leasing commitments

Annual commitments in respect of operating leases are as follows:

	2004 Land & Buildings £	Land & Buildings £
Leases which expire:		
From two to five years	-	-
Outwith five years	17,000	16,000
	<u>17,000</u>	<u>16,000</u>

16 Pension scheme

Certain employees and former employees of the charity are members of the Strathclyde Pension Fund, a pension scheme providing benefits based on final pensionable pay, contributions being charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

The company operates a pension scheme providing benefits based on final pensionable pay, contributions being charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2002. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions.

The major assumptions used in this valuation were:

Rate of increase in salaries	4.1%
Rate of increase in pensions in payment	2.6%
Discount rate	6.2%
Inflation assumption	2.6%

The most recent actuarial valuation showed that the market value of the scheme's assets was £6,050m at 31 March 2002 and that the actuarial value of those assets represented 108% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the company and employees will be 13.3% and 6% of earnings respectively, with the employer's contribution rising to 13.9% for the year ending 31 March 2005 and 14.5% for the year ending 31 March 2006.

The pension charge for the period of £nil (2003: £6,402) included £nil (2003: £nil) in respect of the amortisation of experience surpluses that are being recognised over nil years, the average remaining service lives of employees.

There was a provision of £nil in the balance sheet representing the difference between the amount charged in the profit and loss account and the amount paid into the pension scheme

17 Related party transactions

There were no related party transactions in the year ending 31 March 2004. In the prior year an amount of £10,751 was paid to a business controlled by the Chairman, Edward Cunningham (Business Options Ltd). This charge is disclosed as part of legal and professional fees (note 7).