

THE PLANNING EXCHANGE

(Company Limited by Guarantee)

ANNUAL REPORT AND ACCOUNTS

31 MARCH 1999

Company Registration Number SCO73119



THE PLANNING EXCHANGE
(Company Limited by Guarantee)

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1999

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THE PLANNING EXCHANGE

(Company Limited by Guarantee)

OFFICERS AND PROFESSIONAL ADVISORS

NON-EXECUTIVE DIRECTORS

Rt.Hon.B.Millan, Chairman
W D C Lyddon, CB
I S Hutchison, OBE
G Kennedy
J Spens
Professor P Roberts

EXECUTIVE DIRECTOR

A W Burton, OBE, Managing Director

COMPANY SECRETARY

A W Burton

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
292 St Vincent Street
GLASGOW
G2 5TQ

BANKERS

The Royal Bank of Scotland
Glasgow City Branch
10 Gordon Street
GLASGOW
G1 3PL

THE PLANNING EXCHANGE
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THE CHAIRMAN'S STATEMENT

YEAR ENDED 31ST MARCH 1999

We ended the financial year with our services much expanded and improved, as detailed in the Chief Executive's statement. For that I would like to thank the management and staff for their efforts, and the many organisations which make use of our services and give us valuable feedback.

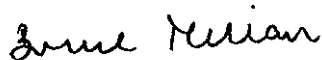
Financially we have continued our efforts to improve our overall position. The result is that, after the Scottish Office grant, we achieved a small surplus and, added to the figure brought forward, we are able to carry forward a surplus of £26,910. In future however it is essential that we achieve surpluses on trading as we do not expect further grants from central government and we need to build up our reserves, which are inadequate for an organisation of our size.

The ISLA information service continues to be our most important source of income and our greatest future asset. It correlates closely in subject coverage to the policy areas of the Scottish Parliament and Welsh Assembly, the new regional development agencies and to all local authorities, and it is the most cost effective information service to which they can subscribe. We continue to market the service vigorously.

The management and staff of the Exchange have during the year continued their efforts to improve the contribution of our various journals, projects and events. These products are useful in increasing the awareness of what we do among both member and non-member organisations and we are looking for added synergy with our information services.

The Board has also encouraged the staff to build on their expertise in the electronic delivery of our various information services and we have continued to invest in these areas. We therefore start the new financial year in a stronger position to participate in the expanding world of web based services. While doing this we have maintained and improved the personal telephone based elements of our information services which our customers value highly, even when they have full access to Internet services.

Finally I should like to thank my fellow Directors for the valuable service and support they have given during the year.



Bruce Millan, Chairman

THE PLANNING EXCHANGE
(Company Limited by Guarantee)

THE CHIEF EXECUTIVE'S STATEMENT

YEAR ENDED 31ST MARCH 1999

The Planning Exchange assists those involved in economic, environmental and social development to learn from experience and research. The main way we do this is by providing a comprehensive and user friendly information service second to none in its field in the UK. This service, ISLA, abstracts some 500 journals and thousands of published and semi-published documents including our own case studies, journals and briefing papers. There are over 250 local authorities, local enterprise companies, training and enterprise councils, government agencies and departments, and consultants large and small using the service throughout the UK and Ireland.

The Isla Weekly Bulletin is the main way in which we inform members of the most interesting of the documents we abstract. An innovation this year has been our ability to send the bulletin to members electronically, which means that they get the information quicker and in a form they can distribute electronically. Over ten per cent of members now ask for bulletin to be sent in this way and the number is growing.

We have made the last five years of abstracts from the database available to members to search on the Web, giving an added benefit to members at no additional cost. Members are of course still able to use the telephone service to our information officers as before.

We have added more material on management and organisational development, as well as regional development, 'best value', the New Deal for Communities, life long learning, social inclusion partnerships, and social entrepreneurship.

In February we relaunched our electronic information exchange Regen.net. This service provides details of what's on, who's who, and what's new about urban regeneration as well as a forum for the exchange of know how and experience. By May over 2,700 organisations had registered to use this new free service which is paid for under a two year contract from the Department of the Environment, Transport and the Regions (DETR). The service is about to be extended to Northern Ireland under contract to the Department of the Environment in Belfast.

In November we launched a new monthly publication, *Economic Development Today*. This incorporates our case study service *LEDIS* on local economic development as well as abstracts of articles and publications on the subject. Our two other journals, *Journal of Lifelong Learning Initiatives* and *Scottish Planning & Environment Law* continue to grow in readership.

We have organised seminars and conferences throughout Britain to which over 1500 delegates attended. All our events are now advertised on our web site: www.planex.co.uk.

In March we completed a two-year pilot programme to support with a tailor made information service community organisations involved in urban regeneration. This project, which was supported by DETR and Kellogg's, Marks & Spencer, and NatWest, proved to be so successful that DETR has agreed to part fund a three year development of the programme to many more groups.

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THE CHIEF EXECUTIVE'S STATEMENT (Continued)

YEAR ENDED 31ST MARCH 1999

All these developments have been made possible by the dedication of our staff and we were delighted to be awarded the Investors in People standard at the end of the year. We face the challenge in the coming year of winning new customers including the Scottish Parliament, Welsh Assembly and the new Regional Development Agencies and, now that we are able to allow access to the ISLA database via the Web, new customers overseas

A handwritten signature in black ink, reading "Tony Burton". The signature is written in a cursive, slightly slanted style.

Tony Burton, Director.

THE PLANNING EXCHANGE
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THE DIRECTORS' REPORT

YEAR ENDED 31ST MARCH 1999

PRINCIPAL ACTIVITY

The aim of The Planning Exchange is to promote good and innovative practice in economic, environmental and social development.

The principal activity in support of this aim is the provision of an information service to public, private and voluntary bodies throughout the UK and overseas. The Exchange provides information by way of current awareness, enquiry and document supply services, by organising seminars and by publishing a number of journals and briefing papers.

COMPANY STATUS

The Planning Exchange is a private company limited by guarantee without share capital. It is registered in Scotland (No.SCO 73119). It is also a registered charity (No. SC 010929).

DIRECTORS

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

RESULTS

The accounts of the Company for the year to 31st March, 1999 appear on pages 8 – 16. The surplus for the year amounted to £4,911. The surplus carried forward is £26,910. A grant for core funding for the year amounted to £30,000 from the Scottish Office. Directors believe that there is a need to build up more substantial reserves.

FIXED ASSETS

The movement in fixed assets is recorded in the notes to the financial statements.

YEAR 2000 AND THE POTENTIAL IMPACT ON OPERATIONS

Year 2000 compliance issues are being addressed including issues connected with suppliers and customers, and steps are being taken to ensure timely compliance. The estimated costs of compliance are not considered material to the Company and will be treated as normal revenue expenditure.

EMPLOYMENT

The Company's employment policies are designed to be competitive so as to attract and retain high quality staff whilst ensuring that the costs remain at an appropriate level. Remuneration policy is decided by the non-executive directors.

THE PLANNING EXCHANGE
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THE DIRECTORS' REPORT (Continued)

YEAR ENDED 31ST MARCH 1999

The Company policy is one of equal opportunity in the selection, training, career development and promotion of employees. Managers have a continuing responsibility to keep their colleagues fully informed of developments and to communicate financial results and other matters of interest in a timely manner. During the year the Company achieved the UK standard for Investors in People.

CHARITABLE AND COMMUNITY SUPPORT

No political or charitable donations were made during the period.

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 10, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable, and state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements. The directors must also 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 account 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 for the ensuing year will be proposed at the Annual General Meeting in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the directors.



Registered Office
Tontine House
8, Gordon Street,
GLASGOW G1 3PL

Anthony W. Burton Company Secretary

Approved by the Directors on 10th May 1999

THE PLANNING EXCHANGE
(Company Limited by Guarantee)

AUDITORS' REPORT TO THE MEMBERS

YEAR ENDED 31ST MARCH 1999

We have audited the financial statements on pages 8 to 16.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 5, the Company's directors 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 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.

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 10 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 Company's state of affairs as at 31st March, 1999, and of its surplus for the year ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985.



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



THE PLANNING EXCHANGE
(Company Limited by Guarantee)

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31ST MARCH 1999

	Note	1999 £	1998 £
INCOME	3	1,388,213	1,370,489
Direct Costs	4	<u>(336,154)</u>	<u>(352,835)</u>
GROSS CONTRIBUTION		1,052,059	1,017,654
Operating Costs	5	<u>1,070,268</u>	<u>1,043,093</u>
OPERATING DEFICIT	6	(18,209)	(25,439)
Grant: Scottish Development Department		30,000	50,000
Interest receivable	9	3,658	5,124
Interest payable and similar charges	10	<u>(10,538)</u>	<u>(8,256)</u>
SURPLUS FOR THE FINANCIAL YEAR		4,911	21,429
Surplus brought forward		<u>21,999</u>	<u>570</u>
SURPLUS carried forward		<u>26,910</u>	<u>21,999</u>

The notes on pages 10 – 16 form part of these financial statements

THE PLANNING EXCHANGE
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BALANCE SHEET

31ST MARCH 1999

	Note	£	1999 £	1998 £
FIXED ASSETS				
Tangible Assets	11		130,639	142,610
CURRENT ASSETS				
Debtors	12	581,237		200,360
Cash at Bank and in hand		<u>114,963</u>		<u>147,234</u>
		696,200		347,594
CREDITORS:				
Amounts falling due within one year	13	<u>(760,597)</u>	<u>(402,063)</u>	
NET CURRENT LIABILITIES			<u>(64,397)</u>	<u>(54,469)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			66,242	88,141
CREDITORS:				
Amounts falling due after more than one year	14		<u>(39,332)</u>	<u>(66,142)</u>
			<u>26,910</u>	<u>21,999</u>
RESERVES:				
Income and expenditure account	16		<u>26,910</u>	<u>21,999</u>

These financial statements were approved and signed by the directors on *21 May 1999*

RT. HON. B. MILLAN

Brian Millan

DIRECTOR

A.W. BURTON O.B.E.

A.W. Burton

DIRECTOR

The notes on pages 10 - 16 form part of these financial statements.

THE PLANNING EXCHANGE
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1999

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. 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.

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 and 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.

THE PLANNING EXCHANGE
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1999

2. (Cont'd)

Finance Lease Agreements.

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the income and expenditure account and the capital element which reduces the outstanding obligation for future instalments.

Operating leases.

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

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 the Strathclyde Pension Fund. The pension scheme is a defined benefit scheme with employee contributions fixed by statute. Employer's contributions 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 March 1998 confirmed that the scheme was not fully funded and that the employers contributions from 1st April, 1999 would increase by 2.1% 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. Contributions by The Planning Exchange to the scheme during the year amounted to £39,153 (£20,541 – 1998).

Cash Flow Statement.

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

3. INCOME

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

	1999	1998
	£	£
Information Service:		
Local Authority Subscriptions	409,371	393,816
Other Subscriptions	319,743	318,136
Other Income	82,083	25,739
Seminars	262,976	241,561
Projects	134,612	227,234
Publications	<u>179,428</u>	<u>164,003</u>
	<u>1,388,213</u>	<u>1,370,489</u>

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1999

(Cont'd.)

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

	1999	1998
	Number	Number
Local Authority Members	67	69
Other Members	<u>188</u>	<u>187</u>
	<u>255</u>	<u>256</u>

4. DIRECT COSTS

	1999	1998
	£	£
Information Service	89,957	86,739
Seminars	132,732	112,520
Projects	44,051	86,686
Publications	<u>69,414</u>	<u>66,890</u>
	<u>336,154</u>	<u>352,835</u>

5. OPERATING COSTS

	1999	1998
	£	£
Payroll Costs	689,752	598,236
Temporary/other Employment costs	3,523	12,125
Training	2,972	30,354
Rent, Rates Glasgow	63,838	64,900
Rent, Rates Manchester	6,491	5,500
Property Costs	21,100	47,030
Heat and Light	6,406	5,917
Telephone	14,570	11,283
Postage	73,808	71,375
Stationery	25,536	25,995
Photocopying (incl. Lease costs)	7,569	11,515
Cleaning	8,167	7,235
Legal/Professional Fees	4,685	21,036
Software Consultancy	16,268	10,800
Auditors Fees	3,819	3,000
Depreciation	82,478	81,173
Lease Costs	12,349	4,789
Other expenditure	<u>26,937</u>	<u>30,830</u>
	<u>1,070,268</u>	<u>1,043,093</u>

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1999

6. OPERATING DEFICIT

Operating Deficit is stated after
charging/crediting:

	1999	1998
	£	£
Depreciation	82,478	81,173
Loss on disposal of Fixed Assets	1,400	0
Auditors Fees	3,819	3,000
Operating Lease Costs:		
Plant & Equipment	14,469	436
Vehicles	4,125	4,353

7. PARTICULARS OF EMPLOYEES

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

	1999	1998
	Number	Number
Part-time	5	5
Full-time	<u>28</u>	<u>27</u>
	<u>33</u>	<u>32</u>

The aggregate payroll costs were:

	1999	1998
	£	£
Wages and Salaries	601,008	532,450
Social Security costs	49,591	45,245
Pension costs	<u>39,153</u>	<u>20,541</u>
	<u>689,752</u>	<u>598,236</u>

8. DIRECTORS' EMOLUMENTS

The Directors' emoluments were:

	£	£
Remuneration of directors	62,437	61,538

The remuneration of the Chairman and the non-executive directors amounted to £nil. (1998-£nil).

The number of directors whose emoluments, excluding pension contributions, exceeded £40,000 were as follows:-

	1999	1998
£60,000 - £65,000	1	1

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1999

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	1999	1998
	£	£
Bank interest receivable	<u>3,658</u>	<u>5,124</u>

10. INTEREST PAYABLE AND SIMILAR CHARGES

	1999	1998
	£	£
Bank loans and overdraft	8,610	6,076
Finance charges	<u>1,928</u>	<u>2,180</u>
	<u>10,538</u>	<u>8,256</u>

11. TANGIBLE FIXED ASSETS

	Library	Fixtures & Fittings	Computer Equipment & Software	TOTAL
	£	£	£	£
COST				
At 1 st April, 1998	347,991	21,897	337,465	707,353
Additions	48,515	9,139	14,252	71,906
Disposals	<u>=====</u>	<u>(7,563)</u>	<u>(225,739)</u>	<u>(233,302)</u>
At 31 st March, 1999	<u>396,506</u>	<u>23,473</u>	<u>125,978</u>	<u>545,957</u>
DEPRECIATION				
At 1 st April, 1998	272,894	14,976	276,873	564,743
Charge for the year	47,300	4,487	30,691	82,478
On disposals	<u>-----</u>	<u>(7,563)</u>	<u>(224,340)</u>	<u>(231,903)</u>
At 31 st March, 1999	<u>320,194</u>	<u>11,900</u>	<u>83,224</u>	<u>415,318</u>
NET BOOK VALUE				
At 31 st March, 1999	<u>76,312</u>	<u>11,573</u>	<u>42,754</u>	<u>130,639</u>
At 31 st March, 1998	<u>75,097</u>	<u>6,921</u>	<u>60,592</u>	<u>142,610</u>

Hire purchase and finance lease agreements.

Included within the net book value of £130,639 is £13,929 (1998-£16,034) relating to assets held under hire purchase agreements and nil (1998-£1,698) relating to assets held under finance lease agreements.

The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £11,936 (1998-£3,323) and nil (1998-£82) relating to assets held under finance lease agreements.

THE PLANNING EXCHANGE
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1999

12. DEBTORS

	1999	1998
	£	£
Trade Debtors	538,699	112,065
Other Debtors	4,732	2,667
Prepayments and accrued income	<u>37,806</u>	<u>85,628</u>
	<u>581,237</u>	<u>200,360</u>

13. CREDITORS

Amounts falling due within 1 year

	1999	1998
Bank loans and overdrafts	10,000	10,000
Other loans (secured)	10,000	10,000
Other loans (unsecured)	58,333	8,333
Trade creditors	93,432	120,870
Other creditors including:		
Taxation and Social Security	104,890	55,061
HP and finance lease	7,506	11,011
Other creditors	<u>1,002</u>	<u>43,808</u>
	<u>285,163</u>	<u>259,083</u>

Accruals and deferred income	<u>475,434</u>	<u>142,980</u>
	<u>760,597</u>	<u>402,063</u>

14. CREDITORS

Amounts falling due after more than 1 year

	1999	1998
	£	£
Bank loans and overdrafts	18,163	27,257
Other loans (secured)	16,780	22,963
Other loans (unsecured)	1,389	10,417
Other creditors including:		
HP and finance leases	<u>3,000</u>	<u>5,505</u>
	<u>39,332</u>	<u>66,142</u>

Bank loans and overdrafts are secured by a bond and floating charge

THE PLANNING EXCHANGE
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1999

15. LEASING COMMITMENTS

Annual commitments in respect of operating leases are as follows:

	1999		1998	
	Land & Buildings £	Other £	Land & Buildings £	Other £
Leases which expire:				
Less than one year	-	6,580	-	-
From two to five years	-	8,734	-	8,456
Outwith five years	<u>83,200</u>	<u>-----</u>	<u>83,200</u>	<u>=====</u>
	<u>83,200</u>	<u>15,314</u>	<u>83,200</u>	<u>8,456</u>

16. RECONCILIATION OF MOVEMENTS IN RESERVES

	1999	1998
	£	£
Surplus for the financial year	4,911	21,429
Opening surplus	<u>21,999</u>	<u>570</u>
	<u>26,910</u>	<u>21,999</u>

17. TAX STATUS

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