

The Liverpool Society of Chartered Accountants

Objects and Area

4869

The Society was incorporated in April, 1870 and its objects, as subsequently amended, are:

- (a) To assist the Institute of Chartered Accountants in England and Wales ("The Institute") to:
 - (i) Advance the theory and practice of accountancy in all its aspects including in particular auditing, financial management and taxation.
 - (ii) Recruit, educate and train a body of members skilled in these arts.
 - (iii) Preserve at all times the professional independence of members in whatever capacities they may be serving.
 - (iv) Maintain high standards of practice and professional conduct by all its members.
 - (v) Do all such things as may advance the profession of accountancy in relation to public practice, industry, commerce and the public service.
- (b) To assist the Council of the Institute in the formulation and execution of its policies by acting as a medium for consultation and communication with all categories of the members of the Institute in the area of the Society and to assist the Council of the Institute with communication with the public.
- (c) To assist members of the Society to maintain and enhance their professional competence.
- (d) To assist any chartered accountant students' organisation within the area of the Society.
- (e) To initiate and develop projects to meet the professional needs of its members.
- (f) To do all such things as may be necessary for the attainment of these objects.

The area of the Society is defined at present as:

- (a) The Metropolitan County of Merseyside, in the Metropolitan County of Greater Manchester the district of Wigan, the county of Cheshire less the districts of Congleton and Macclesfield, in the county of Lancashire the district of West Lancashire.
- (b) The counties of Clwyd and Gwynedd.
- (c) The Isle of Man.



The Liverpool Society of Chartered Accountants

Notice of Meeting

NOTICE IS HEREBY GIVEN that the 126th ANNUAL GENERAL MEETING of the Members of the Liverpool Society of Chartered Accountants will be held on WEDNESDAY, 15th MAY 1996 at THE LIVERPOOL SOCIETY OF CHARTERED ACCOUNTANTS, SECOND FLOOR, NUMBER ONE, OLD HALL STREET, LIVERPOOL, at 12.15 pm.

1. To receive the Report of the Committee for the year 1995.
2. To receive the Honorary Treasurer's Accounts for the year 1995.
3. To elect eight members of the Committee.

All members of the Society whether in practice or not are eligible to serve on the Committee. Nominations to fill the vacancies on the Committee should be sent to me not later than Wednesday, 8th May, 1996.

4. To appoint Auditors. Messrs. Lonsdale & Marsh, the retiring Auditors, have expressed their willingness to be re-appointed.
5. To transact any other ordinary business.

At the conclusion of the formal business of the meeting, the Officers for the ensuing year, who will have been appointed by the Committee at the meeting held earlier today, will be announced and the formal handing over of the badges of office will take place.

PROXIES:

Any member may appoint a proxy to attend and vote for him/her, provided the proxy is a member of the Society. Forms of proxy should be lodged at the Library not later than 13.45 hours on Wednesday 8th May, 1996.

Number One,
Old Hall Street
Liverpool
L3 9HG

RICHARD A. K. HOPPINS
Honorary Secretary

17th April 1996

The Liverpool Society of Chartered Accountants

Past Presidents

The Liverpool Society of Chartered Accountants

PAST PRESIDENTS

| | | | | | |
|-----------|----------------------|-----------|---------------------|-----------|---------------------|
| 1870-1878 | Harmood W. Banner | 1925-1926 | F. Stanley Morris | 1962-1963 | Stanley Morris |
| 1878-1884 | A. W. Chalmers | 1926-1927 | Herbert W. Bowler | 1963-1964 | J. H. Bradley |
| 1884-1887 | J. S. Harmood Banner | 1927-1928 | Geo. H. Ashworth | 1964-1965 | C. Pearson |
| 1887-1888 | T. W. Read | 1928-1929 | Harold A. Patterson | 1965-1966 | J. Malcolm Harrison |
| 1888-1889 | Robert S. Blease | 1929-1930 | Elliot T. Nicholson | 1966-1967 | Kenneth Duncan |
| 1889-1890 | I. C. Stead | 1930-1931 | W. P. Davidson | 1967-1968 | A. P. Whyte |
| 1890-1891 | Edward Mounsey | 1931-1932 | H. R. Graves | 1968-1969 | Roy Watson |
| 1891-1892 | E. B. Roose | 1932-1934 | H. G. Alexander | 1969-1970 | E. L. Ashton |
| 1892-1893 | J. Merret Wade | 1934-1935 | Sidney Colvin | 1970-1971 | W. Shuttleworth |
| 1893-1895 | J. S. Harmood Banner | 1935-1936 | W. R. MacGregor | 1971-1972 | Arthur Green |
| 1895-1896 | W. C. Spencer | 1936-1937 | T. Noel White | 1972-1973 | Geoffrey English |
| 1896-1898 | Chas. F. Finney | 1937-1938 | H. G. Alexander | 1973-1974 | J. A. Colvin |
| 1898-1899 | W. L. Jackson | 1938-1939 | Frederick Cook | 1974-1975 | K. A. Allan |
| 1899-1901 | James S. Holt | 1939-1940 | K. H. Mackenzie | 1975-1976 | F. D. M. Lowry |
| 1901-1902 | J. S. Harmood Banner | 1940-1941 | F. W. Poulson | 1976-1977 | J. G. Hurst |
| 1902-1903 | Robert S. Blease | 1941-1942 | W. E. R. Short | 1977-1978 | G. L. Clegg |
| 1903-1905 | J. Merret Wade | 1942-1944 | G. Leather | 1978-1979 | J. I. Morris |
| 1905-1906 | George Bowler | 1944-1946 | T. Leslie Hanmer | 1979-1980 | L. D. Hayward |
| 1906-1907 | Edmund D. White | 1946-1947 | K. G. Lyon | 1980-1981 | M. G. Lyon |
| 1907-1908 | Ben Cookson | 1947-1948 | W. A. J. Parkinson | 1981-1982 | D. E. Evans |
| 1908-1909 | Arthur F. Dodd | 1948-1949 | A. D. Walker | 1982-1983 | M. S. Potts |
| 1909-1910 | W. E. Mounsey | 1949-1950 | G. F. Saunders | 1983-1984 | E. J. Shew |
| 1910-1911 | Walter Blease | 1950-1951 | G. M. W. West | 1984-1985 | M. G. Rider |
| 1911-1912 | William Denton | 1951-1952 | K. G. M. Harding | 1985-1986 | J. R. J. Greenhalgh |
| 1912-1913 | S. S. Dawson | 1952-1953 | G. N. Fullagar | 1986-1987 | D. H. Hobley |
| 1913-1914 | Geo. S. Oldam | 1953-1954 | W. P. Scowcroft | 1987-1988 | J. N. L. Packer |
| 1914-1917 | W. H. Alexander | 1954-1955 | E. T. Denton | 1988-1989 | J. G. Milbourn |
| 1917-1919 | Henry E. Abbott | 1955-1956 | E. N. Macdonald | 1989-1990 | J. V. R. Anderson |
| 1919-1920 | W. F. Flack | 1956-1957 | T. A. Macfarlane | 1990-1991 | J. A. Brown |
| 1920-1921 | W. Ward Platt | 1957-1958 | C. C. Taylor | 1991-1992 | T. A. F. Leary |
| 1921-1922 | G. Kenneth Cook | 1958-1959 | J. F. Allan | 1992-1993 | M. J. P. Cooke |
| 1922-1923 | P. Blackburne White | 1959-1960 | C. J. Peyton | 1993-1994 | R. P. Bradshaw |
| 1923-1924 | R. C. de Zouche | 1960-1961 | J. M. Harvey | 1994-1995 | J. H. H. Mounsey |
| 1924-1925 | C. Edgar Finney | 1961-1962 | P. C. Lloyd | | |

The Incorporated Accountants' District Society of Liverpool

PAST PRESIDENTS

| | | | | | |
|-----------|--------------------|-----------|--------------------|-----------|-------------------|
| 1887 | James Marr | 1912-1914 | T. Sumner | 1938-1940 | Ernest Chetter |
| 1895-1898 | F. S. Elsworth | 1914-1923 | Alan Standing | 1940-1943 | Samuel Woodyer |
| 1898-1899 | E. Kendal Goulding | 1923-1925 | Charles Tunnington | 1943-1945 | James Boucher |
| 1899-1901 | J. H. Foster | 1925-1927 | C. R. Whitnall | 1945-1947 | Bertram Nelson |
| 1901-1904 | J. J. Burnley | 1927-1929 | A. E. Noon | 1947-1949 | J. C. Summerskill |
| 1904-1906 | C. L. Bragger | 1929-1931 | Charles M. Dolby | 1949-1951 | L. Bailey |
| 1906-1908 | A. E. Howell | 1931-1934 | Alexander Hannah | 1951-1953 | S. W. Hanscombe |
| 1908-1910 | C. Hewetson Nelson | 1934-1936 | E. S. Goulding | 1953-1955 | J. L. Hughes |
| 1910-1912 | C. E. Dolby | 1936-1938 | T. T. Plender | 1955-1958 | C. Pearson |

Following the scheme of integration, the Incorporated Accountants' District Society of Liverpool was wound up on the 30th June, 1958.

The Liverpool Society of Chartered Accountants

Officers and Committee 1995/1996

THE OFFICERS AND MEMBERS OF THE MAIN COMMITTEE ARE ALSO
DIRECTORS OF THE SOCIETY

| | | |
|--|------------------------------------|---|
| President | Mrs. B. M. Appleton | |
| Deputy President | K. E. B. Clayton | |
| Vice-President | Miss. A. P. Morris | |
| Honorary Treasurer | A. D. Smith | |
| Honorary Secretary | R. A. K. Hoppins | |
| Elected Members | J. V. R. Anderson | L. M. Platts |
| | J. A. Brown | Mrs. E. M. Quinn |
| | P. J. R. Evans | M. D. Sale |
| | M. C. Fairhurst | E. J. Shew |
| | Mrs. M. Hodgkiss | M. D. Taylor |
| | P. F. Hyland | P. J. B. Tiernay |
| | Mrs. J. M. Jones | P. N. Wainwright |
| | S. G. Lawrence | M. H. Warriah (Resigned Jan. 1996) |
| | J. C. Malthouse | Miss C. Williams |
| | T. M. Morton | |
| Members of the Council of the Institute | J. I. Morris | |
| | E. J. Shew (to June 1995) | |
| | D. H. Hobley | |
| | J. V. R. Anderson (from June 1995) | |
| Branch Officers and Representatives | R. G. Barrs | (Chairman, Isle of Man Society) |
| | D. V. Hubbard | (Chairman, Chester & N. Wales Society) |
| | J. A. McLintock | (Vice-Chairman, Chester & North Wales Society) |
| | | |
| Ex-Officio Members | J. H. H. Mounsey | (Immediate Past-President) |
| | A. R. Lovelady | (President, Liverpool Chartered Accountants Students' Association) |

| | |
|---------------------------------|---|
| Auditors | Lonsdale & Marsh |
| Administrative Secretary | Andrea M. Betteridge |
| Library | Number One, Old Hall Street, Liverpool L3 9HG |
| Telephone | 0151-236 2401 |
| Facsimile | 0151-236 5459 |

The President's Statement



I am very pleased to have the opportunity to write this Report on the Society's activities in the year ended 31 December 1995. This was a most marvellous year for us, as we celebrated our 125th Anniversary, being the oldest of the Founding Societies of the Institute. My year of office runs from May so it covered just over one-half of this special year. The second part of the President's year is rather more active in the number of functions to be attended and business to be covered.

Firstly, let me report on the wonderful events on the actual Anniversary, which was 25 January, 1995, when we hosted the District Societies Conference in Liverpool Town Hall Council Chamber. This was a truly splendid day. My predecessor, Jonathan Mounsey, hosted a wonderful Dinner in the newly renovated Town Hall. Travelling round the country since, all the other District Society Officers and Guests who attended, complimented Liverpool on a memorable occasion, and they invariably comment on the beauty and splendour of the building.

Then, last June, we were delighted to entertain Sir Adrian Cadbury at the Merseyside Maritime Museum, when he spoke to a large audience, under the sponsorship of the Board for Chartered Accountants in Business.

During the year we forged links with local members of the Chartered Institute of Management Accountants, and in the future hope to widen our involvement with members of the other accountancy bodies in the area.

The Society has not had an easy year financially, as Courses income has been much reduced. We rely on this income for funding because the ICAEW Grant does not cover all our activities, and again was not increased for 1995. It has been interesting for me to be a Member of the District Societies' Steering Committee and as a result, to have an insight into the workings of Moorgate Place and a voice there. I am particularly pleased that District Society finances are again being looked at very carefully and I hope that their funding will be improved.

I am very privileged to have been the first woman President of the Liverpool Society, and have had wonderful support from all of the Officers, Council Members and Members of the Main Committee. I have enjoyed the experience greatly, and have made many friends round the country, on visits to the other District Societies and to other professional bodies in our area. I was very happy to join the London Society when they celebrated their 125th Birthday last December at the Museum of London.

The Liverpool Society of Chartered Accountants

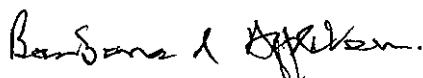
One of the highlights of my year has been my visits to our branches in the Isle of Man, Chester & North Wales and Southport. It is warming to see the support they all receive from their local Committees and their members and the different ways in which they celebrated the 125th Anniversary.

The Liverpool Main Committee and the Sub-Committees under their Chairmen have been very active and committed and our thanks are due to them for all their efforts. Thanks are also due to all the members who supported the Annual Dinner, which I found to be a wonderful occasion, and one I shall never forget. I am so grateful for all the Members support.

We all owe a great deal to our ever present and helpful Administrators, Andrea Betteridge and Julia Crompton, who made my task so much easier. My very grateful thanks to them.

The final event of the Anniversary Year was the Carol Service at the Liverpool Parish Church, with a special peel of bells ringing out over the City. I found the occasion most moving and am glad that arrangements are in hand to make this an annual event.

Finally, I wish to extend to Keith Clayton my sincere wishes for a successful year as our next President, and to his Officers and Team for a happy and committed year.



BARBARA M. APPLETON
President

The Liverpool Society of Chartered Accountants

Annual Report

The Committee has pleasure in presenting the one hundred and twenty sixth Annual Report of the Liverpool Society's activities.

MEMBERSHIP

| | |
|--------------------------------|-------|
| Membership at 31 December 1994 | 3,395 |
| Membership at 31 December 1995 | 3,457 |

CHANGES IN OFFICERS AND COMMITTEE

At the 1995 Annual General Meeting, the Honorary Secretary reported that Messrs. J. V. R. Anderson, J. A. Brown, Mrs. M. Hodgkiss, Mr. T. J. Hurst, Mrs. J. Miller, Miss A. P. Morris, Messrs. M. W. F. Rushworth, and P. H. Taaffe have notified that they wished to stand down. During the year Mr. R. E. L. Rushworth resigned.

Nominations were received and duly proposed and seconded from Messrs. J. A. Brown, P. F. Hyland, Mrs. J. M. Jones, Mrs. E. M. Quinn, Messrs. M. D. Taylor, P. J. B. Tiernay, P. N. Wainwright, M. H. Warriah and Miss C. Williams. As no further nominations for the vacancies on the Committee had been received, no ballot took place and the aforementioned members were duly elected to the Committee.

At the Annual General Meeting in 1995, Mrs. B. M. Appleton was elected President in succession to J. H. H. Mounsey, K. E. B. Clayton was elected Deputy President and Miss A. P. Morris was elected Vice-President, A. D. Smith was re-appointed Honorary Treasurer and R. A. K. Hoppins was re-appointed Honorary Secretary.

The Liverpool Society of Chartered Accountants

INDIVIDUAL APPOINTMENTS

The three Members of Council of the Institute of Chartered Accountants in England and Wales, elected by Members of the Liverpool District Society area, and the Institute Committees and Sub-Committees on which they currently sit, are:-

| | |
|-------------------|---|
| J. I. MORRIS | Disciplinary Committee |
| D. H. HOBLEY | Vice - Chairman Disciplinary Committee |
| | District Societies' Conference |
| | District Societies' Steering Committee |
| | Insolvency Licensing Committee |
| E. J. SHEW | General Practitioner Board (to June 1995) |
| | Audit Registration Committee |
| J. V. R. ANDERSON | Board for Chartered Accounts in Business |
| (from June 1995) | |

Liverpool Society members who also sit on Institute committees include:

| | |
|--------------------|---|
| Mrs B. M. APPLETON | District Societies' Conference |
| | District Societies' Steering Committee |
| J. A. BROWN | Tax Faculty Representative |
| K. E. B. CLAYTON | District Societies' Conference |
| F. P. COLLINS | Faculty of Information Technology Representative |
| M. J. P. COOKE | Founding Societies' Centenary Award Selection Committee |
| N. D. GUILFORD | Training Consultant |
| G. M. HALL | Technical Advisory Committee |
| | Research Board |
| L. D. HAYWARD | Disciplinary Committee |
| G. N. HUNTRISS | Faculty of Information Technology Representative |
| M. J. JEBSON | Technical Advisory Committee |
| T. A. F. LEARY | Support Member |
| J. C. MALTHOUSE | General Practitioner Board |
| | Practice Regulation Review Committee |
| PROF. R. C. MORRIS | Research Board |
| | Director of Chartered Accountants Trustees |
| K. C. MOSS | Board for Chartered Accountants in Business Alternate |
| J. N. L. PACKER | Support Member |
| M. D. TAYLOR | Business Liaison Member (Board for CAs in Business) |

Locally, the Society has been represented as follows:-

| | |
|----------------------|---|
| The President | The Court of the University of Liverpool |
| | The Council of the Liverpool Chamber of Commerce & Industry |
| J. A. Colvin | The Council of the Liverpool School of Tropical Medicine |
| R. P. Bradshaw | Liverpool John Moores University Faculty of Business and Management Studies Department of Accounting and Finance Policy Review & Advisory Committee |
| Mrs A. M. Betteridge | Merseyside Telecommunications Advisory Committee |
| | Merseyside Post Office Advisory Committee |

Liaison Officers for Citizens' Advice Bureaux:-

| | |
|------------------------------|-------------------------|
| Liverpool Society, Liverpool | I. G. Miller, Dolgellau |
| M. L. Byrne, Wirral | R. A. Taylor, Crewe |
| J. R. Hargreaves, Chester | F. A. Noble, Southport |
| A. H. Thomas, Wrexham | |

The Liverpool Society of Chartered Accountants

Branches and Groups

CHESTER AND NORTH WALES SOCIETY OF CHARTERED ACCOUNTANTS

Our prime objective this year has been to balance the books without affecting the activities of the Branch. Due to reductions in the grants received and operating deficits in successive years, it has been necessary to plan our activities accordingly.

In addition to the usual successful full day tax course (which was presented by Ken Tingley) we have also held a series of Autumn Updates. These have covered Auditing Standards, Corporation Tax and VAT and have been financially successful enough to avoid a further deficit this year.

The Annual Dinner held in Chester in March was once again a most successful evening attended by over 300 members and guests. The speakers included Keith Woodley, Deputy President of the Institute, Nick Mason, and John Tiernay, our Chairman. We also held a Dinner Dance at Mollington Banastre which was enjoyed by about 100 members and guests.

Still to come we have our Annual Joint Meetings with HM Inspectors of Taxes in Colwyn Bay and Chester.

The low number of Chartered students training in the Branch area gives cause for concern and makes the operation of a viable Students' Society difficult. The problem has been discussed and it is hoped that the Institute's new Training in Small Firms initiative will begin to improve the situation.

John Arrowsmith has stood down as our Golf Organiser after many years but we have an enthusiastic volunteer to replace him in Garry Potts.

Thanks are due to the Officers and Committee Members who contribute so much to the smooth running of the Branch.

ISLE OF MAN SOCIETY OF CHARTERED ACCOUNTANTS

The Isle of Man Society of Chartered Accountants continues to flourish and to expand its activities and member support. ICAEW members on the Island now total 328.

ANNUAL DINNER

Our annual dinner was held on 19 May and attended by 157 members. Mr Garfield Morgan stood in for Mr Jonathan Bodlender who was to be our speaker and had to cancel at short notice due to ill health. Mr Morgan proved to be very entertaining (formerly the Inspector from The Sweeney). We were very pleased to welcome Mr Brian Currie, the Vice-President of the Institute, Mrs Barbara Appleton from Liverpool and Mr David Hubbard from Chester & North Wales. Once again, a report was issued in the local press complete with a photograph of the guests.

SORAP

The Isle of Man Statement of Recommended Accounting Practice has been well received locally and clarifies a number of accounting and disclosure matters. Contrary to a report in Accountancy Age, the SORAP was produced in consultation with the Institute. The SORAP has been issued to all local Society members and is proving to be very useful in aiding off-Island accountants auditing Manx companies.

BANK AUDIT LETTERS

In order to assist year end audits, this Society liaised with the Isle of Man Bankers Association and a contact name for the production of bank audit letters has been procured for each Bank on the Island. Our members have been informed of the contact name and it is expected that this should provide a much more efficient system for this important matter.

COURSES AND CPE

A comprehensive courses programme has been well received this year. A VAT update was held in April, an Offshore Tax Planning Review in July; an Isle of Man Tax Update in October and an Audit and Accounting Standards Update was held in December. The latter was particularly well attended with 175 tickets being sold for entry. Demand for Manx taxation courses remains high.

In combination with the CPE provided for the General Practitioners and Business Members, it is now possible for our members to achieve all their CPE locally which we feel is a good achievement. Time and travel off the Island is both costly and time consuming.

It is hoped that a similar programme can be achieved next year, additionally interspersed with smaller courses for minority groups. Regrettably, without our courses over the previous year the finances of this Society would have been minimal.

SOCIETY LIBRARY

It is realised that our local library is very out of date and that we cannot afford to finance new purchases. Various options are being considered such as an agreement with the Isle of Man College of Further

The Liverpool Society of Chartered Accountants

Education to provide books required by our members in return for an annual contribution to College Library funds. It is also possible that the local Certified Accountants will join in this scheme with ourselves. All members are being consulted for ideas.

LEGISLATION AND CONSULTATIVE PROCESS

This year has been particularly active in this field.

The Regulation of Corporate Agents consultative document proposed imposition of strict controls on corporate agents in the Isle of Man. This Society considered that the proposed legislation was too restrictive despite being a good idea in principle. Submissions have been made to the Financial Supervision Commission; our own submission has also been made in consultation with our members. Revised proposals are expected in 1996.

A sub-committee was formed to consider Restrictive Schemes and also Personal Liability. The Personal Liability sub-committee continues to be active whilst the Restrictive Schemes sub-committee have reported back to the Committee and have made their submission to Government.

Representations have also been made to the Government on the Statistics Bill, SAS 600/Charities and a number of taxation matters. It is felt that the Isle of Man Government consider our submissions to be valuable input. Goodwill has been demonstrated by the Isle of Man Assessor of Income Tax participating in lecturing on one of our courses.

Our representation continues on the Professional Consultative Committee which meets with Government legislators regularly. Both Government and ourselves value this opportunity to exchange views on local legislation.

PUBLICITY/NEWSLETTER

Mosaic continues to be issued twice a year. It is not profitable, with the aim being to break even. However, it is seen to be a quality magazine and is a useful means of communicating with members and is also now issued to other professional bodies on the Island, where it has been well received.

Publicity has once again been good in the local newspapers with photographs of our dinner and courses appearing at regular intervals with short reports. Publicity has also been received in Manx Tails, the magazine which is issued to all air passengers travelling with Manx Airlines.

STUDENTS SOCIETY

This Society has been very active since its September AGM. Students on the Island have increased to 40. This is a relatively small number but the enthusiasm of the present Committee is heartening. CASSEV have held social events such as their annual dinner, quizzes, 5-a-side football and brewery trips this year.

Two more local firms have now joined our local training firms.

BUSINESS MEMBERS

A CPE group has been established for this group this year.

These meetings are run on similar lines to those of our General Practitioners group. About fifteen attend each meeting. A small core attend each meeting whilst others participate in the scheme but attend only those meetings of particular interest to their sector. However, this is seen to be a step forward in encouraging local business members to participate in Society activities. The diversification of employment makes this group difficult to cater for and are the least active of our members in Society activities. A. K. Halsall, our business member representative, is to be congratulated on his initiative for this group.

GENERAL PRACTITIONERS

This group continues to function well with quarterly meetings continuing and fortnightly video meetings (with Chinese meal) for CPE purposes attendances continuing to increase.

Thus most of our activities continue on an on-going basis.

SOUTHPORT GROUP

The year commenced with the Group's Annual Dinner which was again held at the Prince of Wales Hotel. The Dinner was well supported with 280 members and guests attending. The guest speaker for the evening was Mr David Kendal.

The Annual General Meeting was held in April. Kathryn Farr was elected as Chairman, Jim Gummerson as Vice-Chairman and Ian Wright as Secretary/Treasurer. The meetings continue to be well attended. Subjects covered included the Stock Market, fraud, banking, VAT, grants, practice development, the Inland Revenue, and the Budget.

The 125th Anniversary of the Liverpool Society of Chartered Accountants was celebrated at a Hoe-Down and Hot Pot Supper. Past Chairman's badges are to be presented to the previous Chairmen of the Southport Group at its 1996 Annual Dinner.

SOUTH LANCASHIRE

Efforts are still being made to engender enthusiasm for a South Lancashire group and the President is still hoping that a volunteer will come forward to lead the re-surgence.

The Liverpool Society of Chartered Accountants

DISTRICT TECHNICAL ADVISORY COMMITTEE

Meetings held in 1995:-

| | |
|-----------------|---|
| Main Committee | 8 |
| Sub-Committees: | |
| Taxation | 1 |
| Southport | 6 |

The main Committee comprises nineteen members made up of six in business, one academic and the remainder in practice.

During the year Michael Camm resigned after a number of years as Chairman and was replaced by Peter Evans.

Martyn Hall and Mike Jebson continued as our representatives on the Institute's T.A.C.

The following papers were discussed and comments submitted:

- * Audit & Accounting Requirements
- * Related Parties
- * Materiality in Financial Reporting
- * ASB Consultative Paper - Audit Agenda
- * Financial Reporting of Environmental Liabilities
- * CAJEC - A New Approach to Professional Independence
- * Goodwill and Intangible Assets
- * DTI Consultative Paper on Company Law Reform
- * Accounting Simplifications
- * Pension Costs in Employer's Financial Statements
- * Discussion Paper on Provisions
- * CAJEC - Members in Business
- * Statement of Principles

In addition the Taxation Sub-Committee has considered a total of 14 papers and made submissions on a number of issues including Budget 1995 proposals, Personal and Trust Tax Returns, and Annual PAYE Returns.

The Liverpool Society of Chartered Accountants

THE FOUNDING SOCIETIES' CENTENARY AWARD

To mark the Centenary of the Institute, in 1979 the four Founding Societies, Liverpool, London, Manchester and Sheffield inaugurated this award to honour "an outstanding contribution, by a member of the Institute, in any field".

The Award takes the form of a silver statue of *Economia*, the allegorical figure who appears in the Institute Coat of Arms. It is held by the Award Winner for one year and the Winner also receives a small replica to be held permanently. The Citation giving details of the Award and the achievements of the Winner are inscribed on a parchment scroll.

The Selection Committee consists of one representative of each of the four Founding Societies and four other members.

The following awards have been made to date:-

| | | |
|------|---|---------------------------|
| 1980 | Donald Ironside | (Presented in London) |
| 1981 | Sir Kenneth Cork | (Presented in Liverpool) |
| 1982 | Tom Watts | (Presented in Manchester) |
| 1983 | Sir Trevor Holdsworth | (Presented in Sheffield) |
| 1984 | The Rt. Hon. The Lord Benson, GBE | (Presented in London) |
| 1985 | Sir Owen Green | (Presented in Liverpool) |
| 1986 | Philip Rusted | (Presented in Manchester) |
| 1987 | Professor Harold Edey | (Presented in Sheffield) |
| 1988 | Professor Sir Bryan Carsberg | (Presented in London) |
| 1989 | Tom Booth | (Presented in Liverpool) |
| 1990 | Sir Ernest Harrison, OBE | (Presented in Manchester) |
| 1991 | Roger Charlton Spoor, OBE | (Presented in Sheffield) |
| 1992 | Sir Paul Girolami, OBE | (Presented in London) |
| 1993 | Sir Brian Jenkins, GBE | (Presented in Liverpool) |
| 1994 | The Rt. Rev. Bishop James Lawton Thompson | (Presented in Manchester) |
| 1995 | A. Nigel R. Rudd | (Presented in Sheffield) |

The Presentation Dinner, held on 25th May 1995 at Cutlers Hall, Sheffield was attended by 9 members of the Liverpool Society and their partners.

Sir Trevor Holdsworth presented the Award to Mr. A. N. R. (Nigel) Rudd, who was nominated for the award in recognition of his outstanding contribution to British Industry, acknowledging his successful entrepreneurialism and management capabilities. Nigel Rudd was co-creator of Williams Holdings plc and is now a member of the Boards of Directors of many prestigious British companies

Any member may suggest a nominee for the Award for consideration by the Committee. Such suggestions will be gratefully received and should be sent in confidence to the President of The Liverpool Society of Chartered Accountants.

VOLUNTARY ADVICE LIAISON

The Financial Advice Bureau schemes which work in co-operation with the Citizens' Advice Bureau continue to provide much-needed assistance to the community. Bureau staff will vet possible cases and surgeries usually operate by appointment only. The Committee would be pleased to hear from anybody willing to support this valuable work. Please contact the office.

The Liverpool Society of Chartered Accountants

COURSES

During 1995, the programme included 1 Residential, 6 full day, 10 half day and 12 evening courses. A list of courses is set out below. These include courses provided by Accountancy Courses & Conferences (ACC) of the Institute as well as those mounted locally.

RESIDENTIAL

| | | |
|-------------------------|--|--------------------|
| 28/29th September (ACC) | Update for the Accountant in Industry & Commerce | Team of 9 Speakers |
|-------------------------|--|--------------------|

FULL DAY

| | | |
|--------------------|--|--|
| 8th March | Full Day of Lectures in Llanberis | Keith Rye |
| 24th March (ACC) | Tax Updates/Accountancy & Auditing Updates | Team from MacIntyre Hudson |
| 11th May | Full Day of Lectures in Llandudno | Alan Edwards, Robert Holland and Paul Hyland |
| 28th June | Full Day of Lectures in Llanberis | Keith Rye |
| 12th October (ACC) | Tax Updates/Accountancy & Auditing Updates | Team from MacIntyre Hudson |
| 7th December | Full Day of Lectures in Llanberis | Neil Sturmey, Paul Stewart & Nina Nicholls |

HALF DAY

| | | |
|----------------------|---|------------------|
| 11th January | Aspects of Audit Quality Control File Review & Completion | Keith Rye |
| 18th January | V.A.T. The Ups and Downs for Chartered Accountants | Paul Stewart |
| 26th April | Auditing Under The Solicitors' Accounts Rules | Keith Rye |
| 13th June | Audit Exemption - The Experience So Far | Keith Rye |
| 21st September (ACC) | How Do I Act as an Expert Witness | Ian Gascoigne |
| 3rd October (ACC) | How Do I Act as an Executor | Robert Trunchion |
| 31st October (ACC) | Charity Reporting & Auditing | Don Bawtree |
| 20th November (ACC) | The New Statements of Auditing Standards | Alan Bonham |
| 28th November (ACC) | Small Company Reporting (The Complete Guide) | Roger Bryant |
| 12th December | Money Laundering Regulations | Nina Nicholls |

EVENING

| | | |
|---------------|--|--------------------------------|
| 19th January | Problems with Partnerships | Mark Palios and Tim Walsh |
| 1st March | Application of RICS Accountants' Report Rules | Robert Holland |
| 15th March | NIC Update | Alan Edwards |
| 23rd March | Investors in People | David Edwards |
| 17th May | Motivating & Rewarding Partners: A Management Case Book | Alan Taylor |
| 1st June | Forensic Accounting | Mike Swift |
| 8th June | Investment Business Regulations Update | Paul Clegg |
| 11th July | V.A.T. Update | Paul Stewart |
| 25th July | Advising Nursing & Residential Care Homes in the Shadow of the Community Care Act 1990 | Mike Horrocks and Tim Walsh |
| 15th November | Capital Allowance Planning | Neil Sturmey |
| 6th December | V.A.T. Update | Paul Stewart |
| 14th December | Developments in the Stock Market | Christine Reeves and J. Barrow |

The Liverpool Society of Chartered Accountants

CHARTERED ACCOUNTANTS IN BUSINESS

The sub-committee has met throughout the year on a monthly basis and has organised a variety of events to attract members in business with mixed success. In reviewing the year, a number of actions have been identified and these are currently being developed in order to focus and improve the communication to, and involvement of members in business.

In June we co-hosted a debate with BCAB on "The Corporate Governance Debate" presented by Sir Adrian Cadbury. The event was very well attended by both members in business and practice together with significant numbers of CIMA members. The debate was lively and interesting and clearly demonstrated the importance of effective resourcing when using major events to generate a response from the membership.

Other events arranged throughout 1995 were tours of News International at Knowsley, Mersey Docks & Harbour Company at Seaforth and Cains Brewery in Liverpool. An Objective 1 debate, Technical Update and an Informal Meeting on the CIMA merger were held at Number One, Old Hall Street. These events attracted attendances of approximately ten members on average.

The sub-committee members are disappointed by the membership's lack of involvement with the sub-committee's programme and has set out five key action points, which form the basis of a partnership with BCAB, to develop an effective way forward:-

1. Increase membership of CAs in Business sub-committee
2. Create Special Interest Groups
3. Develop links with Manchester District Society
4. Extend links to other Accounting Bodies
5. Improve communication to business members

These initiatives have already commenced. New members to the sub-committee have been introduced and existing members asked to increase their involvement. The development of an Information Technology Interest Group is under way to which all members, business and practice, are invited to participate. Links with the Manchester Society have been established with the broad agreement to host a major event, in association with BCAB

EDUCATION & TRAINING

1995 has been an interesting year for the Education and Training Committee with the recent upheavals with regard to the new education system. Following the rebuttal of the new Final Level exams by the Membership, further consideration by the District Societies will be necessary. One of the main areas of activity this year has been helping the Institute promote the Small Firms Training Initiative around the region. Many members of the Liverpool Society have become involved in this, not just those from the Education and Training Committee. We shall be actively encouraging further people to get involved in 1996.

ENTERPRISE

It has been once again a busy year for the Enterprise Committee starting with the publication of the revised and substantially enhanced Enterprise Register for 1995. The Register this year was kindly supported by Merseyside Training and Enterprise Council, which assisted greatly in the revamping of the brochure.

In March 1995, the Enterprise Register was launched officially at the Society's offices and was attended by in excess of 70 people, which included Chartered Accountants, Merseyside TEC representatives, solicitors, bankers, Business Link representatives and attendees from similar organisations. The launch was also publicised in the Daily Post on the same day as the launch party. The coverage helped the Society in getting across the message that Chartered Accountants are there to help people in business.

The Enterprise Committee organised in May a seminar primarily for Enterprise Register members and covered grants and DTI initiatives on Merseyside. Once again this was supported well by the members and their guests.

The Liverpool Society of Chartered Accountants

Throughout the year the Enterprise Committee has been closely involved with the Merseyside TEC led initiative called "New Entrepreneurs' Challenge". Many of you will have heard of this from our pleas for volunteers for assessment panelists. This scheme is now under way and should hopefully see some promising results in 1996. If any members still have not volunteered, then could you please contact the Enterprise Chairman and put your name and details forward.

The Liverpool Society has continued to sponsor the Best Business Plan Award for contestants on Granada's Flying Start programme, this will be screened in the Spring of 1996.

During the year, the Enterprise Committee has attempted to forge relationships with organisations which could provide a base for long-term working arrangements; Business Link Merseyside, for example, has been one such organisation.

The Chairman has attended two Enterprise Meetings at Moorgate Place where each Society's Enterprise Liaison Officer detailed their successes and failures and shared ideas for future projects and initiatives.

GENERAL PRACTITIONER

The year has been one of steady progress, with regular meetings of the local practice support group. Emphasis on the smaller firm and on general practitioners continues at Moorgate Place and the end of the year saw an encouraging movement towards heightened publicity for such firms, both on a national level and locally. The Institute continues to emphasise the value of communication with its membership - and that membership is predominantly smaller firms - which leads to a greater emphasis on the work of general practitioner committees in District Societies. Awareness of everything that is going on at the Institute, both in terms of actual and prospective developments, is an essential for anyone in practice in the current ever-changing marketplace. It gives stability and awareness to practitioners who might otherwise feel very isolated. That is the purpose of the local support group, and help from London, of which there is a great deal, is intelligent and much appreciated. If the message can get through to non-participating firms who keep away from District Society affairs - and there must be quite a few of them - much good will be done on both sides.

POLICE LIAISON

The existing close working relationship with the Merseyside Police Fraud Squad has been consolidated during the past year. The manner of dealing with the work is under review in the light of altered police resources. Extension of coverage to other police forces within the District Society area is continuing and hopefully will produce cases in the future.

PUBLICITY

The two major special events of our year received good local media coverage - the 125th Anniversary Dinner, held at the Town Hall, and the Cadbury Lecture, held at the Merseyside Maritime Museum. Unfortunately, few of our other activities seemed to interest the media, not even the national poster campaign. Our PR Consultants, Kenyon Associates, have worked hard on our behalf, but it seems that in future we will do as well by concentrating our publicity efforts into a few major events, which are more likely to achieve media success, than to pursue further our usual shotgun approach.

The improved format of the Newsletter, again achieved with the help of Kenyon Associates, has been welcomed.

YOUNGER MEMBERS

The year has been one of mixed fortunes for the Younger Members. The Summer Ball was again a popular success although many of the other events organised have been poorly attended. A major problem is one of apathy, which seems to be a common theme with other young professionals.

The Liverpool Society of Chartered Accountants

Given the fundamental changes that are proposed to our profession, it is even more important that younger members appreciate the importance of the Society as a forum for their views and as a way of building a network of professional links that can support them in their career. The problem of apathy is therefore a serious one which must be tackled. Our aim for 1996 is to improve our image and to prove our worth to our members. The sub-committee has been boosted by some new members whose added enthusiasm is generating the momentum needed for this.

NUMBER ONE OLD HALL STREET

The meeting rooms at Number One, Old Hall Street, are available for hire by members on a half-day or full day basis and are particularly suitable for in-house training courses and seminars or meetings of any kind for up to 70 persons, for example, creditors' meetings. Training aids are available and include a video recorder, overhead and slide projectors, screen, lectern, microphones and flip chart. Details of the highly competitive rates may be obtained from Mrs Andrea Betteridge.

SOCIAL AND SPORT

125TH ANNIVERSARY CELEBRATIONS

As the first English Society of Chartered Accountants to be formed, the Liverpool Society of Chartered Accountants, was of course the first to have a 125th celebration of the anniversary of its formation. On 25 January 1995, the exact anniversary, the Society held a celebratory Dinner in the splendid surroundings of the Liverpool Town Hall. 300 Members and a number of guests from other District Societies around the country celebrated the vision of those 14 founding accountants in the splendour of the refurbished Town Hall Banqueting Suite.

In addition, to mark the anniversary a special Newsletter was published incorporating a reprint of a 1902 photograph set in Liverpool Town Hall, together with a colour photograph taken in 1995 of most of the Society's surviving past Presidents and of the current Committee. If anyone would like a further copy of this Newsletter, please contact the Library where there are a few remaining copies.

The 125th Anniversary was also celebrated in the branches with the Chester and North Wales Society holding a Summer Ball and the Southport Branch commissioning past Chairmen's medallions which are to be presented at the 1996 Southport Annual Dinner.

Overall, the 125th Anniversary celebrations were a great success, being used both as a celebration of the Society's Members but also as an opportunity to raise the profile of Chartered Accountants in the Liverpool business community.

ANNUAL DINNER

The Annual Dinner was held at The Britannia Adelphi Hotel on Friday, 24th November 1995, and was attended by 440 persons, of whom 48 were official guests. The principal guests were The President of the Institute of Chartered Accountants in England and Wales, (Keith S. Woodley FCA), Mr Eric C. H. Owen, (Barrister), and Mr Nigel J. Bruce ARICS (Chartered Surveyor).

GOLF

The Annual Competition was played at Formby Golf Club on 13th June 1995. The result of the 18-hole Stableford Competition was as follows:-

| | | |
|--------------------------------|-------------------|-----------|
| LSCA Cup and President's Prize | Trevor N. Birch | 37 points |
| Deputy President's Prize | David J. Appleton | 36 points |

The Society enjoyed a full season of matches during the year:-

| | | |
|----------------|--|------------------------------|
| 26th April | HM Inspector of Taxes | Won by Chartered Accountants |
| 2nd May | Triangular match against Manchester & Sheffield Dist. Societies for "The Roses Trophy" | Won by Manchester Society |
| 21st June | Joint Societies | Won by Liverpool Society |
| 20th July | Birmingham Society | Won by Birmingham Society |
| 15th August | Chester & N Wales Society | Won by Liverpool Society |
| 7th September | Probis (Under 40s) | Won by Bankers |
| 21st September | Law Society | Drawn |

The Institute of Bankers Competition was not held.

The Liverpool Society of Chartered Accountants

STUDENTS

STUDENTS' ADVISORY COMMITTEE

The purpose of the Committee is to consider grievances of individual students as they arise, from time to time. No such request for assistance has been received in the current year.

PRIZES TO STUDENT MEMBERS

The Alan Cookson Prize is awarded to a Final Candidate for achievement in the Institute's examinations coupled with satisfactory service under Training Contract and rendering service to the Liverpool Chartered Accountant Students' Association.

| | | | |
|---------------|----------------|---|------------------------------|
| December 1994 | Rahul Sood | – | Wilson de Zouche & Mackenzie |
| July 1995 | Helen E. Walsh | – | Duncan Sheard Glass |

The Liverpool Society Prize was awarded for the best performance at the Intermediate Examination to:-

| | | | |
|---------------|------------------|---|----------|
| May 1995 | Andrew J. Gillam | – | KPMG |
| November 1995 | Lee S. Boyle | – | Jacksons |

PRIZES TO LIVERPOOL STUDENTS

1995 awards from the Society to students at both the University of Liverpool and the Liverpool John Moores University were as follows:-

| | |
|-------------------------------------|--|
| University of Liverpool | Liverpool Society of Chartered Accountants Prize awarded to the best final year student in accounting - awarded to Anya Keogh |
| Liverpool John Moores University | Accountancy Foundation Course Prize for the best overall Student - awarded to Terence Finnegan The BA (Hons) Accounting and Finance Prize (Financial Accounting) - awarded to Naomi Dunn (Financial Reporting) - awarded to Julie Halam |

The Liverpool Society of Chartered Accountants

SERVICES TO MEMBERS

ADVISORY SUB-COMMITTEE

The Liverpool Advisory Sub-Committee remains available to deal with matters of professional difficulty referred by any member.

In addition, the Institute's Industrial Members Advisory Committee on Ethics (IMACE) is available to any industrial member seeking ethical guidance. Please contact the Deputy Director, Jack Maurice, on his direct line 01908 248008.

The Chartac Advisory Service is also available to provide confidential advice to members in practice to help them achieve and maintain success. Details are set out in the Chartac Advisory Service leaflet which is available from Number One, Old Hall Street, Liverpool. Telephone enquiries to:- 0171-920 8686.

CHARTERED ACCOUNTANTS JOB NETWORK

Along with the majority of other District Societies, Liverpool now maintains a database of unemployed (and under-employed) members on behalf of the Liverpool, Manchester and North West District Societies. Unemployed members need only telephone the Society's office with their name and address and they will be added to the database immediately. Thereafter job instructions received are copied and sent to every member on the register. Each member is then in a position to decide their suitability and initiate any application to the company. Accordingly, all subsequent contact is between the client and applicants direct.

SUPPORT MEMBERS

The Liverpool Society of Chartered Accountants have two Local Support Members who are Trevor Leary (0151-236 8214) and Nigel Packer (0151-471 9888). Members are encouraged to contact either of them if there is an ethical or practice issue causing grave concern.

Further details on the Support Member scheme can be obtained from Mrs Andrea Betteridge.

STUDENT REDUNDANCIES: CODE OF BEST PRACTICE

The Student Registration and Training Section at the Institute (direct line telephone nos: 01908 248274 or 248357) will provide information and advice on procedural aspects.

BUPA - BRITISH UNITED PROVIDENT ASSOCIATION

The Society has a BUPA Group Scheme open to all members and also to staff of members in practice. Members will be interested to know that, when subscriptions are paid annually, they are automatically granted a 15% discount - those paid monthly only qualify for the 10% discount. Details of the scheme are available from BUPA at Customer Services, P O Box 81, Anchorage 4, The Anchorage, Salford Quays, Salford, Manchester, M5 2YE.

CABA- BENEVOLENT ASSOCIATION

During 1995 this Committee dealt with 26 cases in the Liverpool Society area and at the year end was dealing with 24 cases.

If a member of the Liverpool Society would like to bring to the notice of the Committee any case, which in their opinion, they would consider worthy of assistance, the Sub-Committee will be only too pleased to deal with the matter.

Members who are not at present subscribers to this very worthwhile Association are asked to act now. Printed forms can be obtained from Number One, Old Hall Street.

ACCOUNTS

The Income and Expenditure Account for 1995 shows a deficit, after tax on investment income, of £(13,191) reducing the level of reserves in the accumulated fund to £23,367.

On behalf of the Committee

RICHARD A. K. HOPPINS

Honorary Secretary

The Liverpool Society of Chartered Accountants

DIRECTORS' REPORT YEAR ENDED 31 DECEMBER 1995

The directors submit their annual report together with the audited financial statements of the company for the year ended 31 December 1995.

DIRECTORS' RESPONSIBILITIES

Company law requires us as directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, we, as directors, are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We, as 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 us to ensure that the financial statements comply with the Companies Act 1985. We 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.

PRINCIPAL ACTIVITY

The principal activity of the Society during the year was the provision of services to members of the Society.

REVIEW OF ACTIVITIES

The results for the year are set out on page 21. The deficit on ordinary activities has resulted principally from a downturn in the level of course income earned in the year and whilst overhead increases have been contained within budget, the income shortfall has resulted in the reported deficit.

FIXED ASSETS

Details of the treatment of fixed assets are set out in notes 8 and 9 to the financial statements.

DIRECTORS

The directors of the Society in office during the year are set out on page 4 and had no beneficial interest in the company.

AUDITORS

The auditors, Lonsdale & Marsh, will be proposed for reappointment in accordance with Section 385A of the Companies Act 1985.

This report was approved at a meeting of Committee Members held on 13 March 1996.

By Order of the Board

R A K Hoppins
Director & Secretary

13 March 1996

The Liverpool Society of Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS OF THE LIVERPOOL SOCIETY OF CHARTERED ACCOUNTANTS

We have audited the financial statements on pages 21 to 27 which have been prepared under the historical cost convention and the accounting policies set out on page 23.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 19, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

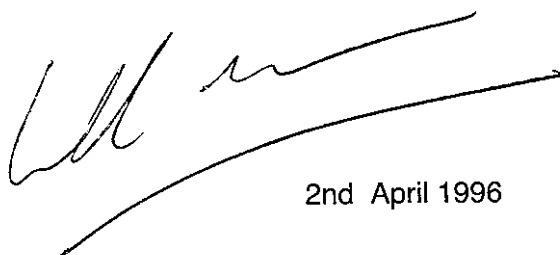
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Lonsdale & Marsh
Chartered Accountants
Registered Auditor
Queen's Building
5-7 James Street
Liverpool
L2 7XB



2nd April 1996

The Liverpool Society of Chartered Accountants

SUMMARY INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 DECEMBER 1995

| | NOTES | 1995 | | 1994 | |
|---|-------|----------|----------------|----------|----------------|
| | | £ | £ | £ | £ |
| TURNOVER | 2 | | 155,939 | | 160,836 |
| Continuing Operations | | 155,939 | | 160,836 | |
| Discontinued Operations | | <u>—</u> | | <u>—</u> | |
| Direct costs attributable to turnover | 3 | | <u>67,354</u> | | <u>54,266</u> |
| GROSS SURPLUS | 3 | | 88,585 | | 106,570 |
| Net Operating Expenses | 3 | | <u>103,704</u> | | <u>102,019</u> |
| OPERATING (DEFICIT)/SURPLUS | 5 | | (15,119) | | 4,551 |
| Continuing Operations | 3 | (15,119) | | 4,551 | |
| Discontinued Operations | 3 | <u>—</u> | | <u>—</u> | |
| Loss on disposal of discontinued operations | 3 | | — | | (10,392) |
| Income from investments | 6 | | <u>2,419</u> | | <u>2,262</u> |
| (DEFICIT) ON ORDINARY ACTIVITIES BEFORE TAXATION | | | (12,700) | | (3,579) |
| Taxation | 7 | | <u>491</u> | | <u>564</u> |
| (DEFICIT) FOR THE FINANCIAL YEAR AFTER TAXATION | | | (13,191) | | (4,143) |
| APPROPRIATION FROM PREMISES FUND | 14 | | — | | 4,893 |
| (DEFICIT)/SURPLUS FOR THE YEAR | | | (13,191) | | 750 |
| RETAINED SURPLUS BROUGHT FORWARD | | | <u>36,558</u> | | <u>35,808</u> |
| RETAINED SURPLUS CARRIED FORWARD | | | <u>£23,367</u> | | <u>£36,558</u> |

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes on pages 23 to 27 form part of these financial statements.

The Liverpool Society of Chartered Accountants

BALANCE SHEET AS 31 DECEMBER 1995

| | NOTES | 1995 £ | 1994 £ |
|---|-------|-----------------------|-----------------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 8 | — | — |
| Fixed assets investments | 9 | 13,758 | 32,438 |
| CURRENT ASSETS | | | |
| Debtors | 10 | 15,670 | 12,275 |
| Cash at bank and in hand | | <u>31,852</u> | <u>40,978</u> |
| | | 47,522 | 53,253 |
| CREDITORS: Amounts falling due within one year | 11 | <u>37,763</u> | <u>48,983</u> |
| NET CURRENT ASSETS | | <u>9,759</u> | <u>4,270</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u><u>£23,517</u></u> | <u><u>£36,708</u></u> |
| CAPITAL AND RESERVES | | | |
| Share Capital | 12 | — | — |
| Accumulated Fund | | 23,367 | 36,558 |
| Other Reserves | 13 | 150 | 150 |
| Premises Fund | 14 | — | — |
| | 15 | <u><u>£23,517</u></u> | <u><u>£36,708</u></u> |

The financial statements set out on pages 21 to 27 were approved at a meeting of Committee Members held on 13 March 1996.

The notes on pages 23 to 27 form part of these financial statements.

MRS B. M. APPLETON
President and Director

Basil M. Appleton

13 March 1996

A. D. SMITH
Honorary Treasurer and Director

Andrew Smith

13 March 1996

The Liverpool Society of Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1995

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historical cost convention, on a consistent basis with prior years and in accordance with applicable accounting standards in the UK.

The effect of events relating to the year ended 31 December 1995 which occurred before the date of approval of the financial statements by the Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 December 1995 and of the results for the year ended on that date.

Turnover

Turnover represents income receivable from courses, social events, lettings and grants, net of Value Added Tax.

Grants

Grants are credited to the Income and Expenditure Account in the period when receivable. Grants received in respect of administrative expenses are credited against the costs. All other grants are included within turnover.

Fixed Assets

Capital expenditure is written off in the year of acquisition. No value is therefore included in respect of libraries, badges of office and furnishings and equipment.

Investments

Fixed assets investments are stated at cost less provision for any permanent diminution in value. For listed investments, market value is based on the closing middle market price on a recognised stock exchange.

Pensions

The Society operates a defined benefit pension scheme. The regular pension cost is charged to income and expenditure account, and is based on the expected pension costs over the service lives of the employees. Contributions to the pension plan are paid according to the advice of actuaries.

The Liverpool Society of Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1995

2 TURNOVER

An analysis of turnover, which was entirely within the United Kingdom, by activity is given below:

| | 1995 £ | 1994 £ |
|----------------------|----------------|----------------|
| Courses Income | 44,420 | 63,386 |
| ICAEW Grant | 48,850 | 48,850 |
| *Lettings and Events | 62,669 | 48,600 |
| | <u>155,939</u> | <u>160,836</u> |

3. ANALYSIS OF OPERATIONS AND NET OPERATING EXPENSES

| | 1995 Continuing £ |
|--|-------------------------|
| Costs attributable to turnover | 67,354 |
| Gross Surplus | <u>88,585</u> |
| Net Operating Expenses: | |
| Administrative Expenses | 108,524 |
| Grants towards Administrative Expenses | (4,820) |
| | <u>103,704</u> |
| Operating Deficit | <u>(15,119)</u> |
| | |
| | 1994 Continuing £ |
| Costs attributable to turnover | 54,266 |
| Gross Surplus | 106,570 |
| Net Operating Expenses: | |
| Administrative Expenses | 108,267 |
| Grants towards Administrative Expenses | (6,248) |
| | <u>102,019</u> |
| Operating Surplus | <u>4,551</u> |

The Liverpool Society of Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1995

| | | |
|-----------------------|---------------|---------------|
| 4. STAFF COSTS | 1995 | 1994 |
| Wages and salaries | 23,725 | 24,137 |
| Social Security costs | 2,136 | 2,285 |
| Other pension costs | 1,520 | 1,374 |
| | <u>27,381</u> | <u>27,796</u> |

The average weekly number of employees (excluding directors) during the year was as follows:

| | | |
|----------------|------------|------------|
| | No. | No. |
| Administration | 4 | 4 |

5. OPERATING (DEFICIT)/SURPLUS

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

| | | |
|-----------------------|-------------|-------------|
| | 1995 | 1994 |
| | £ | £ |
| Auditors Remuneration | 500 | 500 |
| Directors Emoluments | <u>—</u> | <u>—</u> |

6. INCOME FROM INVESTMENTS

Income from investments is as follows:

| | | |
|---|--------------|--------------|
| | 1995 | 1994 |
| | £ | £ |
| Interest on fixed asset investments | 1,296 | 1,785 |
| Interest from bank deposit accounts | 668 | 477 |
| Profit on disposal of fixed asset investments | 455 | — |
| | <u>2,419</u> | <u>2,262</u> |

7. TAXATION

| | | |
|---------------------------|------------|------------|
| | £ | £ |
| UK Corporation Tax at 25% | <u>491</u> | <u>564</u> |

The Liverpool Society of Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1995

8. TANGIBLE FIXED ASSETS

Fixed assets have been written off in accordance with the company's accounting policy (note 1). The Directors consider their approximate value to be in the order of £50,000 (1994 £50,000).

9. FIXED ASSETS INVESTMENTS

| | |
|------------------------------------|--|
| Investments comprise: | Listed on a Recognised UK Stock Exchange at Cost |
| | £ |
| Net book value at 1 January 1995 | 32,438 |
| Net book value at 31 December 1995 | 13,758 |

Market value of listed investments at 31 December 1995 - £13,106 (1994 £30,296).

| | 1995 £ | 1994 £ |
|---|---------------|---------------|
| 10. DEBTORS: Amounts falling due within one year | | |
| Prepayments | 3,030 | 3,428 |
| Trade debtors | 12,640 | 8,847 |
| | <u>15,670</u> | <u>12,275</u> |
| 11. CREDITORS: Amounts falling due within one year | 1995 £ | 1994 £ |
| Trade creditors | 25,881 | 29,358 |
| Other creditors | 1,500 | 1,500 |
| Other taxes and social security | 1,902 | 2,652 |
| Corporation tax | 167 | 120 |
| Accruals | 8,313 | 15,353 |
| | <u>37,763</u> | <u>48,983</u> |

12. SHARE CAPITAL

The company is limited by guarantee and therefore does not have a share capital. The liability of each of the members is limited to £10. Members of the company are the members of the Liverpool Society.

Members of the Main Committee are directors of the company (page 4).

The Liverpool Society of Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 1995

13. OTHER RESERVES

| | 1995 £ | 1994 £ |
|---------------------|-----------|-----------|
| Students Prize Fund | 150 | 150 |

14. PREMISES FUND

| | 1995 £ | 1994 £ |
|---|-----------|-----------|
| At 1 January 1995 | — | 4,893 |
| Transfer to Income and Expenditure Account - Rent Equalisation | — | (4,893) |
| Less: Investment income received | — | — |
| Profit on disposal of investments | — | — |
| | — | (4,893) |
| Add: Taxation on investment income | — | (4,893) |
| At 31 December 1995 | — | — |

15. RECONCILIATION OF MOVEMENTS IN MEMBERS FUNDS

| | £ | £ |
|----------------------------------|----------|---------|
| (Deficit) for the financial year | (13,191) | (4,143) |
| Transfer from creditors | — | — |
| Net (deduction) to reserves | (13,191) | (4,143) |
| Opening Reserves | 36,708 | 40,851 |
| Closing Members funds | 23,517 | 36,708 |

The Liverpool Society of Chartered Accountants

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E. L. Ashton
K. Duncan

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President, LCASA
Honorary Secretary, LCASA
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Student Representative

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Vice-President
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The Liverpool Society of Chartered Accountants

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We would like to thank the Liverpool Chartered Accountant Students and members of the LSCA too numerous to mention, who have helped out with career conventions during 1995. Their help is very much appreciated.