

Company No: 2088545

NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED

ABBREVIATED

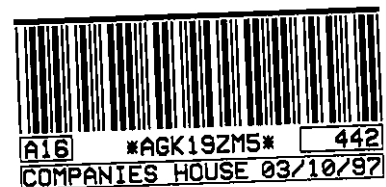
ACCOUNTS

- for the year ended -

31st DECEMBER 1996

JENNINGS JOHNSON  
Chartered Accountants  
19 Borough Road  
Sunderland, SR1 1LA

Reference KDR/0527/MH



NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED

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NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31st December 1996.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company is the provision of training in particular youth and adult training which is funded by Training and Enterprise Councils and employers contributions. The company also provide the training courses for businesses and individuals.

The directors consider the results for the year to be satisfactory.

**DIVIDEND**

The directors do not recommend payment of a dividend.

**DIRECTORS AND THEIR INTERESTS**

The directors at the balance sheet date were as follows:

M. Bird  
S. Markley  
L.M. Aviss

**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 the affairs of the company and of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

The auditors, Jennings Johnson, are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

By Order of the Board

  
I.S. Robertson  
Secretary

Date: 21st April 1997

NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED

AUDITORS' REPORT

AUDITORS' REPORT TO NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED  
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 4 to 13 together with the full financial statements of North East Chamber of Commerce (Training) Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st December 1996.

**Respective responsibilities of the directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the director's statement on page 5 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion, the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section B, Part III of Schedule 8 to that Act, in respect of the year ended 31st December 1996, and the abbreviated accounts on pages 4 to 13 have been properly prepared in accordance with that Schedule.

**Other information**

On 21st April 1997 we reported, as auditors of North East Chamber of Commerce (Training) Limited, to the members on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st December 1996, and our audit report was as follows:

'We have audited the financial statements on pages 3 to 13 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

**Respective responsibilities of the directors and auditors**

As described on the Director's Report 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.

NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED

AUDITORS' REPORT (Continued)

**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 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 full financial statements.

**Opinion**

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

*Jennings Johnson*

JENNINGS JOHNSON  
Registered Auditors  
Chartered Accountants

Date: 21st April 1997

19 Borough Road  
Sunderland  
SR1 1LA

NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER 1996

	Notes	1996 £	1995 £
GROSS PROFIT		1,671,237	1,386,551
Net operating expenses		(1,304,625)	(1,175,070)
OPERATING PROFIT	2		
Continuing operations		366,612	(34,647)
Acquisitions		-	246,128
		366,612	211,481
Profit on ordinary activities before interest		366,612	211,481
Interest receivable	3	36,194	82,133
Interest payable	4	(1,404)	(1,386)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		401,402	292,228
Tax on profit on ordinary activities	7	(94,573)	260,768
PROFIT FOR THE FINANCIAL YEAR	14	306,829	552,996

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 7 to 13 form part of these abbreviated accounts.

NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED

ABBREVIATED BALANCE SHEET AT 31st DECEMBER 1996

	Notes	1996 £	1995 £
<b>FIXED ASSETS</b>			
Tangible assets	8	180,314	185,857
<b>CURRENT ASSETS</b>			
Debtors	9	682,995	871,911
Cash at bank and in hand		1,122,877	439,493
		<u>1,805,872</u>	<u>1,311,404</u>
<b>CREDITORS: Amounts falling due within one year</b>		<u>(671,483)</u>	<u>(488,457)</u>
<b>NET CURRENT ASSETS</b>		<u>1,134,389</u>	<u>822,947</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,314,703</u>	<u>1,008,804</u>
<b>CREDITORS: Amounts falling due after more than one year</b>		<u>-</u>	<u>(930)</u>
		<u><u>1,314,703</u></u>	<u><u>1,007,874</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	2	2
Profit and loss account	14	1,314,701	1,007,872
		<u><u>1,314,703</u></u>	<u><u>1,007,874</u></u>

In preparing these abbreviated accounts:-

- i) We have relied upon the exemptions for individual financial statements under sections 246 and 247 of the Companies Act 1985.
- ii) We have done so on the grounds that the company is entitled to the benefit of those sections as a medium-sized company.

M. Bird .....

L.M. Aviss ..... ) Directors

Date: 21st April 1997

The notes on pages 7 to 13 form part of these abbreviated accounts.

NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st DECEMBER 1996

	Notes	1996 £	1995 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	16	439,986	(227,249)
Return on investments and servicing of finance:			
Interest received		36,194	29,922
Interest paid		(846)	(828)
Interest element on hire purchase contracts		(558)	(558)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		34,790	28,536
Taxation:			
Corporation tax paid		(53,235)	(39,538)
Corporation tax received		280,671	61,712
TAX RECEIVED		227,436	22,174
Investing activities:			
Purchase of tangible fixed assets		(11,814)	(165,450)
NET CASHFLOW FROM INVESTING ACTIVITIES		(11,814)	(165,450)
NET CASH INFLOW BEFORE FINANCING		690,398	(341,989)
Financing:			
Repayment of capital on hire purchase contracts and finance leases rentals		(7,014)	(7,173)
NET CASH OUTFLOW FROM FINANCING	18	(7,014)	(7,173)
INCREASE IN CASH AND CASH EQUIVALENTS	17	683,384	(349,162)

The notes on pages 7 to 13 form part of these abbreviated accounts.



NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1996

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

1.2 TURNOVER

Income is derived from the provision of training courses and contracts. Training contracts are accounted for in the financial statements when funding is approved.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Freehold buildings	Straight line over fifty years
Fixtures and fittings	20 - 33.3% Straight line

1.4 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.5 LEASING AND HIRE PURCHASE

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding.

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

1.6 PENSIONS

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2. OPERATING PROFIT

	1996	1995
	£	£
Auditors' remuneration	3,775	3,650

NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1996

3.	INTEREST RECEIVABLE	1996 £	1995 £
	Bank and other interest receivable	36,194	82,133

4.	INTEREST PAYABLE	1996 £	1995 £
	Other interest	846	828
	Hire purchase interest	558	558
		1,404	1,386

5.	DIRECTORS AND EMPLOYEES	1996 £	1995 £
	Staff costs:		
	Wages and salaries	1,018,693	967,831
	Social security costs	91,849	83,554
	Other pension costs	45,558	40,147
		1,156,100	1,091,532

The average weekly number of employees during the year was made up as follows:

	Number	Number
Training services	85	86

Directors' emoluments:

Remuneration for management services (including pension contributions)	41,370	3,173
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The division of directors' emoluments, excluding pension contributions, is as follows:

Chairman	-	-
Highest paid director	38,244	2,912

M. Bird was paid remuneration by the parent undertaking and the other director received £Nil remuneration during the year.

NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1996

6. PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company amounted to £45,558 (1995: £40,147). All contributions were paid in the year.

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996 £	1995 £
The taxation charge comprises:		
U.K. corporation tax at 24% (1995 - 25%)	122,953	75,403
	<hr/>	<hr/>
	122,953	75,403
Adjustment in respect of prior years	(28,380)	(336,171)
	<hr/>	<hr/>
	94,573	(260,768)
	<hr/>	<hr/>

8. TANGIBLE ASSETS

	Land & buildings £	Fixtures & fittings £	Total £
<u>Cost</u>			
At 1st January 1996	356,519	195,022	551,541
Additions	-	11,814	11,814
Disposals	(95,288)	-	(95,288)
	<hr/>	<hr/>	<hr/>
At 31st December 1996	261,231	206,836	468,067
	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>			
At 1st January 1996	193,856	171,828	365,684
Charge for year	3,261	14,096	17,357
On disposals	(95,288)	-	(95,288)
	<hr/>	<hr/>	<hr/>
At 31st December 1996	101,829	185,924	287,753
	<hr/>	<hr/>	<hr/>
<u>Net book value at 31st December 1996</u>	159,402	20,912	180,314
	<hr/>	<hr/>	<hr/>
<u>Net book value at 31st December 1995</u>	162,663	23,194	185,857
	<hr/>	<hr/>	<hr/>
	1996 £	1995 £	
Analysis of net book value of land and buildings:			
Freehold	159,402	162,663	
	<hr/>	<hr/>	

NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1996

9.	DEBTORS	1996 £	1995 £
	Trade debtors	253,142	239,764
	Amounts owed by group undertakings	303,540	175,402
	Other debtors	-	274,459
	Prepayments and accrued income	126,313	182,286
		<u>682,995</u>	<u>871,911</u>
10.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1996 £	1995 £
	Trade creditors	123,423	91,356
	Corporation tax	122,953	75,403
	Other taxes and social security costs	77,188	75,206
	Net obligations under finance lease and hire purchase contracts	930	7,014
	Other creditors	55,890	62,912
	Accruals and deferred income	291,099	176,566
		<u>671,483</u>	<u>488,457</u>
11.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1996 £	1995 £
	Net obligations under finance leases and hire purchase contracts	-	930
12.	NET OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS	1996 £	1995 £
	<u>The company's net obligations under finance leases and hire purchase contracts are repayable as follows:</u>		
	In one year, or less or on demand	930	7,572
	Between one and two years	-	930
		<u>930</u>	<u>8,502</u>
	Finance charges and interest allocated to future accounting periods	-	(558)
		<u>930</u>	<u>7,944</u>
	Included in current liabilities	(930)	(7,014)
		<u>-</u>	<u>930</u>

NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1996

13.	SHARE CAPITAL	1996 £	1995 £
	<u>Authorised</u>		
	Equity interests:		
	100 Ordinary shares of £1 each	100	100
		<u>          </u>	<u>          </u>
	<u>Allotted, called up and fully paid</u>		
	Equity interests:		
	2 Ordinary shares of £1 each	2	2
		<u>          </u>	<u>          </u>
14.	PROFIT AND LOSS ACCOUNT	1996 £	1995 £
	Retained profits at 1st January 1996	1,007,872	403,874
	Prior year adjustment	-	51,002
		<u>          </u>	<u>          </u>
	Retained profits at 1st January 1996 as restated	1,007,872	454,876
	Profit for the financial year	306,829	552,996
		<u>          </u>	<u>          </u>
	Retained profits at 31st December 1996	1,314,701	1,007,872
		<u>          </u>	<u>          </u>
15.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	1996 £	1995 £
	Profit for the financial year	306,829	552,996
	Dividends	-	-
		<u>          </u>	<u>          </u>
		306,829	552,996
		<u>          </u>	<u>          </u>
	Shareholders' funds at 1st January 1996	1,007,874	403,876
	Prior year adjustment	-	51,002
		<u>          </u>	<u>          </u>
	Shareholders' funds at 1st January 1996 as restated	1,007,874	454,878
		<u>          </u>	<u>          </u>
	Shareholders' funds at 31st December 1996	1,314,703	1,007,874
		<u>          </u>	<u>          </u>
	Represented by:-		
	Equity interests	1,314,703	1,007,874
		<u>          </u>	<u>          </u>

NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1996

16. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1996 £	1995 £
Operating profit		
Continuing operations	366,612	211,481
Discontinued operations	-	-
	<hr/>	<hr/>
	366,612	211,481
Depreciation	17,357	15,521
Increase in debtors	(85,543)	(278,458)
Increase in creditors due within one year	141,560	(175,793)
	<hr/>	<hr/>
	439,986	(227,249)
	<hr/>	<hr/>

17. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	1996 £	1995 £
Cash at bank and in hand at 1st January 1996	439,493	788,655
Cash at bank and in hand at 31st December 1996	1,122,877	439,493
	<hr/>	<hr/>
Net movement	683,384	(349,162)
	<hr/>	<hr/>

18. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	1996 £	1995 £
Share capital		
at 1st January 1996	2	2
	<hr/>	<hr/>
Share capital		
at 31st December 1996	2	2
	<hr/>	<hr/>
	1996 £	1995 £
Finance lease obligations at 1st January 1996	7,944	15,117
Cash outflow from financing	(7,014)	(7,173)
	<hr/>	<hr/>
Finance lease obligations at 31st December 1996	930	7,944
	<hr/>	<hr/>

NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER 1996

19. REVENUE COMMITMENTS

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

	Land and buildings		Other	
	1996	1995	1996	1995
	£	£	£	£
Expiry date:				
Within one year	-	11,100	1,118	9,979
Between one and five years	51,427	35,950	15,727	8,861
After five years	11,100	-	-	-
	<u>62,527</u>	<u>47,050</u>	<u>16,845</u>	<u>18,840</u>

20. ULTIMATE PARENT COMPANY

The ultimate parent company is North East Chamber of Commerce, Trade and Industry, a company limited by guarantee and incorporated in the UK.