

**NORTH EAST CHAMBER OF COMMERCE  
(TRAINING) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2010**

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COMPANIES HOUSE

Company no 2088545

**NORTH EAST CHAMBER OF COMMERCE  
(TRAINING) LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 31 December 2010

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Company number	2088545		
Registered Office	Aykley Heads Business Centre Aykley Heads Durham DH1 5TS		
Directors	M T Pellew J D A Ramsbotham		
Secretary	I S Robertson		
Bankers	Barclays Bank plc Market Place Business Centre 6/7 Market Place Durham DH1 3ND		
Solicitors	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX	Sintons LLP The Cube Barrack Road Newcastle upon Tyne NE4 6DB	Dickinson Dees LLP St Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX
Independent Auditor	Baker Tilly UK Audit LLP Registered Auditor Chartered Accountants 1 St James' Gate Newcastle upon Tyne NE1 4AD		

# **NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED**

## **REPORT OF THE DIRECTORS**

For the year ended 31 December 2010

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The directors present their report and the audited financial statements for the year ended 31 December 2010

### **Principal Activities**

The North East Chamber of Commerce (Training) Limited is a wholly owned subsidiary of the North East Chamber of Commerce, Trade and Industry

The principal activity of the company is the provision of training and workforce development, in particular work based learning which is funded by the Skills Funding Agency, formerly Learning and Skills Council. The company also provides non funded training courses covering a wide variety of topics

### **Business Review and future outlook**

The result for the year is set out on page 8 and shows a trading loss of £54,956 a substantial reduction from the previous year's profit and a reflection of the very challenging trading conditions at the start of the year, trading stabilised in the last nine months of the year. The loss is stated after a fixed asset impairment charge of £72,474

Annual turnover fell significantly in 2010 as a result of the completion of a major contract, funding reductions and the impact of the economic downturn. Trading conditions within training remain extremely difficult with increased unemployment and businesses taking longer to make a buying decision

In response to the downturn in business we took steps to reduce costs. We implemented a 5% salary reduction for all staff from 1<sup>st</sup> January 2010 and there has been a reduction in staff numbers through natural wastage. We have exited our premises in Northallerton and have secured additional rental income in Newcastle and Middlesbrough to reduce overhead cost. We continue to manage costs down where we can through procurement and smarter working processes supported by improved technology. During the year we invested in a Virtual Learning Environment and an IP telephony solution both of which have reduced running costs and improved our service to learners and employers

Plans for 2011 include the upgrade of finance software and processes to improve reporting and forecasting, continued emphasis on customer service and cost reductions where possible through maximising the utilisation of resources

We anticipate that trading will remain challenging over the next two or three years

### **Key performance indicators**

The board monitors the performance of the business according to the following key performance indicators

- Percentage success rates for learners
- Number and takeup of Business Courses
- Numbers of learners and starts
- Overall profitability
- Debtor and Creditor days

In addition we monitor staff turnover, staff absence and customer complaints

# **NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED**

## **REPORT OF THE DIRECTORS**

For the year ended 31 December 2010

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### **Directors**

The Membership of the Board is set out below

J D A Ramsbotham  
M T Pellew

### **Directors' responsibilities for the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

### **Financial instruments**

The company's principal financial instruments comprise cash at bank together with short term debtors and creditors arising from trading.

### **Principal risks and uncertainties**

#### **General Economic Conditions**

Trading conditions remain extremely challenging not just for NECC but for all our members and this continues to impact on the takeup of services including training. The economic downturn and the rise in unemployment has made securing placements for our learners ever more challenging. Our response has included investing in additional resources within Training Recruitment and further automation of processes. We recognise that our emphasis must remain on delivering a high quality service and providing value for money whilst continuing to monitor costs closely.

**NORTH EAST CHAMBER OF COMMERCE  
(TRAINING) LIMITED**

**REPORT OF THE DIRECTORS**

For the year ended 31 December 2010

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**Public Sector Funding**

The training landscape changed substantially in 2010 with the move to the Skills Funding Agency and changes within the qualifications framework. We are expecting a reduction in funding within the 2011/12 contract and the market remains very competitive. In response we continue to invest in quality provision and customer service. NECC Training remains one of the largest, quality providers in the region with high success and completion rates and we are having some success in placing learners with larger employers in the region.

**Dividends**

No dividends were paid during the year.

**Auditor**

Baker Tilly UK Audit LLP are deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

**Statement as to disclosure of information to auditors**

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

ON BEHALF OF THE BOARD



I S Robertson  
Secretary

25 March 2011

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED**

We have audited the financial statements on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As more fully explained in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

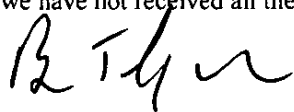
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



GARRY ELLIOTT (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

1 St James' Gate

Newcastle upon Tyne

NE1 4AD

25 March 2011

# **NORTH EAST CHAMBER OF COMMERCE (TRAINING) LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

For the year ended 31 December 2010

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### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention

The company is exempt from the requirement to present a cash flow statement on the grounds that its cashflows are included in the consolidated financial statements of North East Chamber of Commerce, Trade and Industry (Limited by Guarantee)

The company had no borrowings at the year end or indeed at any time during the financial year. The company's forecasts and projections, which take account of reasonable possible changes in trading performance, show that the company will not have a need to seek any external borrowings and will be able to operate utilising the available cash reserves. As a consequence the directors believe that the company is well placed to manage its business risks successfully in the current economic climate.

After making enquiries, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

The principal accounting policies of the company are set out below.

### **TURNOVER**

Turnover is the total amount receivable for services provided, excluding VAT. Training contracts are accounted for in the financial statements when training is delivered.

### **DEPRECIATION**

Tangible fixed assets are stated at cost, net of depreciation and impairment. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land over their estimated useful economic lives. The rates applicable are:

Freehold land and buildings	Straight line over 50 years
Leasehold properties	Straight line over the life of the lease up to a maximum of 50 years
Fixtures and fittings	Straight line over 3 to 5 years

### **IMPAIRMENTS**

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Net realisable value and value-in-use, are recognised as impairments in the profit and loss account.

**NORTH EAST CHAMBER OF COMMERCE  
(TRAINING) LIMITED**

**PRINCIPAL ACCOUNTING POLICIES**

For the year ended 31 December 2010

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**LEASED ASSETS**

Operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term

**DEFERRED TAXATION**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for accounts and taxation purposes

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

**CONTRIBUTIONS TO DEFINED CONTRIBUTION PENSION SCHEMES**

The pension costs charged against profits represent the amount of the contributions payable to two schemes in respect of the accounting period.

**GRANTS**

Grants of a revenue nature are credited to the profit and loss account when the performance criteria for receipt are met.

**RELATED PARTY DISCLOSURE**

The company has taken advantage of the exemption under Financial Reporting Standard No 8 whereby subsidiary undertakings do not have to disclose inter-group transactions if 90% or more of their shares are controlled within the group.



**NORTH EAST CHAMBER OF COMMERCE  
(TRAINING) LIMITED**

**PRINCIPAL ACCOUNTING POLICIES**

For the year ended 31 December 2010

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**CLASSIFICATION OF FINANCIAL INSTRUMENTS ISSUED BY THE COMPANY**

Following the adoption of FRS25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following conditions

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

**NORTH EAST CHAMBER OF COMMERCE  
(TRAINING) LIMITED**

**PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2010

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	Note	2010 £	2009 £
Turnover	1	3,733,265	5,725,987
Cost of sales		<u>(2,326,477)</u>	<u>(3,413,983)</u>
Gross profit		1,406,788	2,312,004
Administration expenses		<u>(1,461,964)</u>	<u>(1,698,549)</u>
Operating (loss) / profit		<u>(55,176)</u>	<u>613,455</u>
Interest receivable	2	<u>220</u>	<u>511</u>
(Loss) / profit on ordinary activities before taxation	1	(54,956)	613,966
Tax on (loss) / profit on ordinary activities	4	<u>(19,599)</u>	<u>(53,180)</u>
(Loss) / profit for the year	11	<u>(74,555)</u>	<u>560,786</u>

The above results are derived from continuing operations

There were no recognised gains or losses other than the profit for the financial year

The accompanying accounting policies and notes form an integral part of these financial statements

**NORTH EAST CHAMBER OF COMMERCE  
(TRAINING) LIMITED**

BALANCE SHEET AT 31 DECEMBER 2010

Company Number 2088545

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	6	1,317,842	3,022,720
<b>Current assets</b>			
Debtors	7	2,570,513	1,266,370
Cash at bank and in hand		358,180	392,687
		<u>2,928,693</u>	<u>1,659,057</u>
<b>Creditors: Amounts falling due within one year</b>	8	<u>(480,004)</u>	<u>(852,713)</u>
<b>Net current assets</b>		<u>2,448,689</u>	<u>806,344</u>
<b>Total assets less current liabilities</b>		<u>3,766,531</u>	<u>3,829,064</u>
<b>Provisions for liabilities</b>	9	<u>(31,415)</u>	<u>(19,393)</u>
<b>Net assets</b>		<u>3,735,116</u>	<u>3,809,671</u>
<b>Reserves</b>			
Called up share capital	10	2	2
Profit and loss account	11	<u>3,735,114</u>	<u>3,809,669</u>
<b>Shareholders' funds</b>	12	<u>3,735,116</u>	<u>3,809,671</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25 March 2011 and are signed on its behalf by

J D A Ramsbotham  Director

The accompanying accounting policies and notes form an integral part of these financial statements

**NORTH EAST CHAMBER OF COMMERCE  
(TRAINING) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2010

**1 TURNOVER AND (LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Turnover is attributable to the following classes of continuing business and arises wholly within the UK

	2010 £	2009 £
Income from youth and adult training	3,467,011	4,437,077
Sale of courses and other activities	266,254	1,288,910
	<u>3,733,265</u>	<u>5,725,987</u>

The (loss) / profit on ordinary activities is stated after charging

	2010 £	2009 £
Auditors' remuneration		
Audit	8,000	8,000
Depreciation – tangible fixed assets, owned	119,805	121,102
Impairment – tangible fixed assets, owned	72,474	-
Operating lease rental		
Land and buildings	71,550	76,750
Plant and machinery	2,534	12,841

**2 INTEREST RECEIVABLE**

	2010 £	2009 £
Bank interest receivable	<u>220</u>	<u>511</u>

**3 DIRECTORS AND EMPLOYEES**

Staff costs during the year were as follows

	2010 £	2009 £
Wages and salaries	1,514,535	2,051,470
Social security costs	139,337	198,705
Other pension costs	75,901	89,878
	<u>1,729,773</u>	<u>2,340,053</u>

**NORTH EAST CHAMBER OF COMMERCE  
(TRAINING) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2010

**3 DIRECTORS AND EMPLOYEES (CONTINUED)**

The average number of employees of the company during the year was

	2010	2009
Training services	<u>67</u>	<u>103</u>

No directors received any remuneration in respect of their services provided during the year (2009 £nil)

During the year no directors (2009 nil) participated in the defined contribution pension scheme

**4 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2010 £	2009 £
The tax charge represents		
Corporation tax at 21% (2009 21.00%)	-	23,201
Adjustments in respect of previous year	<u>7,577</u>	<u>(4,628)</u>
Current tax charge	7,577	18,573
Deferred tax (note 9)	<u>12,022</u>	<u>34,607</u>
Tax on (loss) / profit on ordinary activities	<u>19,599</u>	<u>53,180</u>

**NORTH EAST CHAMBER OF COMMERCE  
(TRAINING) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2010

**4 TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK 21% (2009 21 00%)  
The differences are explained as follows

	2010 £	2009 £
(Loss) / profit on ordinary activities before tax	<u>(54,956)</u>	613,966
(Loss) / profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21 00% (2009 21 00%)	<u>(11,541)</u>	128,933
Effect of		
Expenses not deductible for tax purposes	6,959	16,164
Depreciation in excess of capital allowances for the period	160	(30,710)
Group relief	4,422	(91,186)
Adjustment to tax charge in respect of previous year	<u>7,577</u>	<u>(4,628)</u>
Current tax charge for period	<u>7,577</u>	<u>18,573</u>

**5 DIVIDENDS**

The following dividends have been paid in the year

	2010 £	2009 £
Dividends paid on ordinary shares	<u>-</u>	<u>1,200,000</u>

**NORTH EAST CHAMBER OF COMMERCE  
(TRAINING) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2010

**6 TANGIBLE FIXED ASSETS**

	<b>Freehold land and buildings £</b>	<b>Leasehold land and buildings £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>				
As at 1 January 2010	1,870,074	1,848,876	882,971	4,601,921
Additions	3,796	26,173	14,155	44,124
Disposals	(1,873,870)	-	-	(1,873,870)
As at 31 December 2010	<u>-</u>	<u>1,875,049</u>	<u>897,126</u>	<u>2,772,175</u>
<b>Depreciation</b>				
As at 1 January 2010	272,735	512,567	793,899	1,579,201
Charge for year	44,412	37,136	38,257	119,805
Impairments	-	69,087	3,387	72,474
On disposals	(317,147)	-	-	(317,147)
As at 31 December 2010	<u>-</u>	<u>618,790</u>	<u>835,543</u>	<u>1,454,333</u>
<b>Net book value</b>				
At 31 December 2010	<u>-</u>	<u>1,256,259</u>	<u>61,583</u>	<u>1,317,842</u>
At 31 December 2009	<u>1,597,339</u>	<u>1,336,309</u>	<u>89,072</u>	<u>3,022,720</u>

The Company's operations in 2010 generated a cash outflow and as a result an impairment review of the carrying value of tangible fixed assets has been undertaken

The Company considers that for the purpose of tangible fixed asset impairment testing it only has one income generating unit. Impairment is tested by calculating value in use by reference to discounted cash flow forecasts. These are based on approved forecasts for 2011 with assumptions of no growth in years thereafter. The discount rate used is 4.5%. Following this review the Company's tangible fixed assets have been impaired by £72,474 which has all been charged to the Company's profit and loss account.

**NORTH EAST CHAMBER OF COMMERCE  
(TRAINING) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2010

**7 DEBTORS**

	2010 £	2009 £
Trade debtors	28,717	123,441
Amounts owed by parent undertaking	2,267,891	643,608
Prepayments and accrued income	273,905	499,321
	<u>2,570,513</u>	<u>1,266,370</u>

**8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £	2009 £
Trade creditors	49,501	87,506
Corporation tax	-	23,201
Other taxes and social security costs	50,546	77,496
Accruals and deferred income	379,957	664,510
	<u>480,004</u>	<u>852,713</u>

**9 DEFERRED TAX**

	Deferred tax £
At 1 January 2010	19,393
Movement in year (note 4)	<u>12,022</u>
At 31 December 2010	<u><b>31,415</b></u>

	Amount provided 2010 £	Amount provided 2009 £
Fixed assets timing differences	32,415	19,393
Other differences	<u>(1,000)</u>	<u>-</u>
	<b>31,415</b>	19,393



**NORTH EAST CHAMBER OF COMMERCE  
(TRAINING) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2010

**10 SHARE CAPITAL**

	2010 £	2009 £
Authorised 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**11 RESERVES**

	Profit and loss account £
At 1 January 2010	3,809,669
(Loss) for the year	<u>(74,555)</u>
At 31 December 2010	<u>3,735,114</u>

**12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2010 £	2009 £
(Loss)/profit for the financial year	(74,555)	560,786
Dividend paid	-	(1,200,000)
Shareholders' funds at 1 January 2010	<u>3,809,671</u>	<u>4,448,885</u>
Shareholders' funds at 31 December 2010	<u>3,735,116</u>	<u>3,809,671</u>

**13 CAPITAL COMMITMENTS**

There were no capital commitments at 31 December 2010 or 31 December 2009

**14 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 December 2010 or 31 December 2009

**NORTH EAST CHAMBER OF COMMERCE  
(TRAINING) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2010

**15 CONTRIBUTIONS TO DEFINED CONTRIBUTION PENSION SCHEMES**

Up until 31 July 2010 NECC operated two defined contribution pension schemes for the benefit of employees. NECC ceased contributions to both schemes with effect from 1 August 2010 following the establishment of NECC Group Personal Pension Plan. The Pension Trustees have now commenced the wind up of the previous schemes and pending completion of the wind up the assets of both schemes continue to be held separately from those of the group in an independently administered fund for the benefit of employees. Contributions to the NECC Group Personal Pension Plan are also held separately from the group in an account in the name of each Pension Plan member. Contributions by the group to all schemes in the year amounted to £75,901 (2009 £89,878). Outstanding contributions at the year end amounted to £10,912 (2009 £8,416).

**16 LEASING COMMITMENTS**

Operating lease payments amounting to £73,398 (2009 £82,506) are due within one year. The leases to which these amounts relate expire as follows:

	2010		2009	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	-	-	35,616	686
Between two and five years	<u>71,550</u>	<u>1,848</u>	<u>44,356</u>	<u>1,848</u>
	<u>71,550</u>	<u>1,848</u>	<u>79,972</u>	<u>2,534</u>

**17 TRANSACTIONS INVOLVING DIRECTORS**

During the normal course of trade the company has not purchased goods or services and has not received contributions from organisations in which directors have a material interest.

**18 ULTIMATE PARENT UNDERTAKING**

The directors consider that the ultimate parent undertaking of this company is its parent company North East Chamber of Commerce, Trade and Industry (Limited by Guarantee) by virtue of its 100% shareholding of the ordinary share capital in the company.