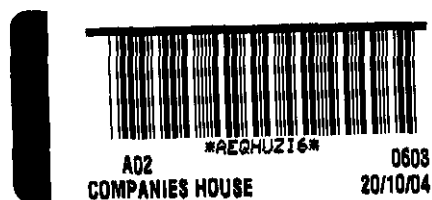


BIRMINGHAM FORWARD
(Limited By Guarantee)
(Registered Number 2497023)

**DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003**



BIRMINGHAM FORWARD (Limited by Guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their annual report and the audited accounts for the year ended 31 December 2003.

The members elect their representatives to be Council Members on the Council of Management. Such Council Members constitute the directors of the company for the purpose of the Companies Act 1985.

PRINCIPAL ACTIVITIES

To promote the city of Birmingham as a national and international centre of financial and professional services, to promote the improvement of the environment and infrastructure of Birmingham and to provide an active voice on behalf of members.

BUSINESS REVIEW - 2003

Birmingham Forward achieved a satisfactory result for the year, recording a deficit of £4,106. As anticipated in the financial statements in prior years, we have therefore used a small portion of the substantial reserves built up over the years to finance an enhanced programme of activities for the benefit of members during 2003. We propose to use the reserves in a similar manner, as appropriate, in future years.

Total membership as at 31 December 2003 stood at 243 (2002: 251) individuals and companies.

RESULTS FOR THE YEAR

The results for the year are set out on page 4 of these accounts.

COUNCIL OF MANAGEMENT

The Council Members, the directors of the company for company law purposes, who served during the period were:

M J Abrams	(resigned 15 August 2003)
S Adams	(resigned 26 March 2003)
D P Benussi	
A D Bland	(resigned 26 March 2003)
R J Bowker (Chairman)	
D E Clarke	
D W Daly	(appointed 26 March 2003)
L E Francis (Secretary)	
M C Gloster (Deputy Chairman)	
C J Hawkley	(resigned 26 March 2003)
R Haywood	
D T Inman	
R Jinks	
J A Lodge	
A Martin	(appointed 26 March 2003)
C J Monk	
M Newcombe	(appointed 26 March 2003)
D Roberts	
D M Slade	
C R Smith	
A P Sparrow	
A J Steatham	(appointed 3 September 2003)

BIRMINGHAM FORWARD
(Limited by Guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003 (CONTINUED)

COUNCIL OF MANAGEMENT

In accordance with the Articles of Association R W Jinks and A P Sparrow shall retire by rotation at the Annual General Meeting and, being eligible, will offer themselves for re-election. A J Steatham was appointed as a director on 3rd September 2003 and being eligible, will offer herself for re-election at the Annual General Meeting.

D E Clarke, L Francis and C J Monk have notified the Board that they will resign as directors as at the date of the Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the company and of the surplus or deficit 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 assume 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

In accordance with section 385 of the Companies Act 1985, a resolution for the re-appointment of Baker Tilly as auditors of the company is to be proposed at the forthcoming Annual General Meeting. Baker Tilly resigned as voting members on 31st December 2003.

Approved by a duly authorised committee of the Council of Management on 1st March 2004 and signed on its behalf by:



L FRANCIS
Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRMINGHAM FORWARD

We have audited the financial statements on pages 4 to 11.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

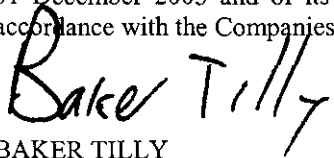
Basis of opinion

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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2003 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BAKER TILLY
Registered Auditor
Chartered Accountants
City Plaza
Temple Row
Birmingham B2 5AF

2 March 2004

BIRMINGHAM FORWARD

(Limited by Guarantee)

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

	<u>Notes</u>	<u>2003</u> £	<u>2002</u> £
Income	4	355,753	418,840
Administrative expenses	5,6/7	(366,083)	(379,763)
		<u>(10,330)</u>	<u>39,077</u>
Interest receivable		<u>6,224</u>	<u>5,835</u>
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		(4,106)	44,912
Taxation on interest	8	<u>-</u>	<u>(144)</u>
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION	12	(4,106)	44,768
Revenue reserve brought forward	12	136,016	91,248
REVENUE RESERVE CARRIED FORWARD		<u>131,910</u>	<u>136,016</u>

The deficit for the year arises from the company's continuing operations.

The above income and expenditure account includes all recognised gains and losses. No separate Statement of Total Recognised Gains and Losses has been presented.

BIRMINGHAM FORWARD

(Limited by Guarantee)

BALANCE SHEET - 31 DECEMBER 2003

	<u>Notes</u>	<u>2003</u> £	<u>2002</u> £
FIXED ASSETS	9	5,316	8,536
CURRENT ASSETS			
Debtors	10	32,492	34,180
Cash at bank and in hand		<u>178,449</u>	<u>151,931</u>
		210,941	186,111
CREDITORS (amounts falling due within one year)	11	<u>(84,347)</u>	<u>(58,631)</u>
NET CURRENT ASSETS		<u>126,594</u>	<u>127,480</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>131,910</u>	<u>136,016</u>
RESERVES			
Revenue Account	12	<u>131,910</u>	<u>136,016</u>

These accounts were approved by a duly authorised committee of the Council of Management on 1st March 2004 and signed on its behalf by:

COUNCIL MEMBERS



R J BOWKER



M C GLOSTER

BIRMINGHAM FORWARD

(Limited by Guarantee)

NOTES TO THE ACCOUNTS - 31 DECEMBER 2003

1. STATUS OF COMPANY

The company is limited by guarantee and does not have a share capital. The liability of the members is limited and is not to exceed £1 per member. At 31 December 2003 the membership totalled 243 (2002 – 251).

In accordance with section 30(2) of the Companies Act 1985 ("the Act") the company is exempt from the requirements of the Act to include "Limited" as part of its name.

2. DIRECTORS

For the purposes of the Act, the Council Members appointed to the Council of Management constitute the directors of the company.

3. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts, except for sponsorship income as described below.

(1) Basis of accounting

The accounts have been prepared under the historical cost accounting rules and in accordance with applicable accounting standards.

(2) Income

Income represents subscriptions and sponsorship income. Subscriptions received are allocated to the period to which they relate. No credit is taken for subscriptions due. Sponsorship monies are taken as income in the period to which they relate.

(3) Tangible fixed assets

Fixed assets are stated at historical costs. Depreciation is provided on tangible fixed assets as follows:

- computer equipment 25% per annum straight line.

(4) Leased Assets

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account on a straight line basis.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

BIRMINGHAM FORWARD
(Limited by Guarantee)

NOTES TO THE ACCOUNTS - 31 DECEMBER 2003 (CONTINUED)

4. INCOME

	<u>2003</u> £	<u>2002</u> £
Subscriptions (incl. patrons/business affiliates)		
Birmingham Forward	180,738	169,111
Birmingham Future	19,733	20,644
Sponsorship and other income		
Birmingham Forward	50,861	109,105
Birmingham Future	104,421	119,980
	<u>355,753</u>	<u>418,840</u>

Sponsorship and other income for Birmingham Forward includes £1,352 (2002: £Nil) in respect of a grant from Advantage West Midlands for the establishment of a pan-regional initiative.

5. ADMINISTRATIVE EXPENSES

Administrative expenses comprise the following:

	<u>2003</u> £	<u>2002</u> £
Salaries	126,215	117,905
Social security costs	12,183	10,367
Promotional items including events	142,780	110,684
Other expenses	1,353	78,547
Office rental	19,500	14,275
Other occupancy and office running costs	55,918	40,934
Audit fee	3,200	3,000
Depreciation	4,934	4,051
	<u>366,083</u>	<u>379,763</u>

Other expenses comprise £1,352 (2002: £Nil) in respect of pan-regional activity funded by a grant from Advantage West Midlands, £Nil (2002: £31,753) in respect of the Census project funded by a grant from Advantage West Midlands and £Nil (2002: £46,794) in respect of expenditure relating to the establishment of Birmingham Professional DiverCity funded by a grant from Birmingham and Solihull Learning & Skills Council.

The above includes expenditure relating to Birmingham Future as detailed in note 6.

BIRMINGHAM FORWARD

(Limited by Guarantee)

NOTES TO THE ACCOUNTS - 31 DECEMBER 2003 (CONTINUED)

6. BIRMINGHAM FUTURE

Birmingham Future is a division of the company and its income is shown separately within note 4. The administrative expenses within note 5 which relate to this division are made up as follows:

	<u>2003</u>	<u>2002</u>
	£	£
Salaries	22,407	20,334
Events	65,015	74,672
PR & promotion	28,479	11,178
IT & website	105	2,170
Office running costs	14,757	1,177
	<u>130,763</u>	<u>109,531</u>

7. STAFF NUMBERS AND COSTS

The secretariat's staff comprised the Executive Director, 4 full time and 1 part time assistants.

No Council Members received any remuneration or fees with the exception of Ms L E Francis in her capacity as Executive Director. Her emoluments in the year totalled £48,544 (2002: £50,240).

8. TAXATION

Corporation tax is provided on interest received at the rates shown below. No tax arises on the surplus or deficiency before interest received as the company is not trading with a view to profit.

	<u>2003</u>	<u>2002</u>
	£	£
Current tax:		
UK corporation tax on interest received	-	144
	<u> </u>	<u> </u>
Interest received	6,224	5,385
Interest received multiplied by the standard rate of taxation for small companies (0%/10%/20%)	-	144
	<u> </u>	<u> </u>

No tax arises on the surplus before interest received as the company is not operating for profitable purposes.

BIRMINGHAM FORWARD
(Limited by Guarantee)

NOTES TO THE ACCOUNTS - 31 DECEMBER 2003 (CONTINUED)

9. FIXED ASSETS

	Computer Equipment £
Cost	
1 January 2003	18,901
Additions	1,714
	<hr/>
31 December 2003	20,615
	<hr/>
Depreciation	
1 January 2003	10,365
Charge for year	4,934
	<hr/>
31 December 2003	15,299
	<hr/>
Net book amount	
31 December 2003	5,316
	<hr/>
31 December 2002	8,536
	<hr/>

10. DEBTORS (amount falling due within one year)

	<u>2003</u> £	<u>2002</u> £
Trade debtors	12,874	25,510
Other debtors	3,272	3,250
Prepayments and accrued income	16,346	5,420
	<hr/>	<hr/>
	32,492	34,180
	<hr/>	<hr/>

11. CREDITORS (amount falling due within one year)

	<u>2003</u> £	<u>2002</u> £
Trade creditors	8,482	6,063
Corporation tax	-	144
Other taxes and social security	4,764	3,641
Other creditors	10	-
Subscriptions and other income received in advance	66,541	41,420
Accruals	4,550	7,363
	<hr/>	<hr/>
	84,347	58,631
	<hr/>	<hr/>

BIRMINGHAM FORWARD
(Limited by Guarantee)

NOTES TO THE ACCOUNTS - 31 DECEMBER 2003 (CONTINUED)

12. RESERVES

	Revenue Reserve £
Opening balance at 1 January 2003	136,016
Deficit for the year	(4,106)
	<hr/>
Closing balance at 31 December 2003	131,910

13. COMMITMENT UNDER OPERATING LEASE

At 31 December 2003, the company was committed to making the following annual payments under non-cancellable operating leases as follows:

Land and buildings:	<u>2003</u> £	<u>2002</u> £
Expiring within one year	4,875	4,875
	<hr/>	<hr/>

14. CAPITAL COMMITMENTS

At 31 December 2003 the company had contracted capital commitments of £Nil (2002: £Nil).

BIRMINGHAM FORWARD

(Limited by Guarantee)

NOTES TO THE ACCOUNTS - 31 DECEMBER 2003 (CONTINUED)

15. DIRECTORS' INTEREST IN CONTRACTS

During the year, the company received secretarial and other support services from member companies who have representatives on the Council of Management:

DIRECTOR NAME	COMPANY	VALUE IN THE YEAR	VALUE IN PREVIOUS YEAR	YEAR END CREDITOR BALANCE	YEAR END DEBTOR
		£	£	£	£
R J Bowker	Ernst & Young	465	-	-	-
M Abrams	Myratech.net	6,964	6,164	817	-
D E Clarke	Clarke Associates	438	5,957	-	-
D Roberts	Headline Communications	1,170	2,381	-	-
D Roberts	WebXpress	969	3,770	-	-
A Steatham	Xlibris	700	325	-	-

16. BIRMINGHAM PROFESSIONAL DIVERCITY

Birmingham Professional DiverCity is a not for profit company in which Birmingham Forward is one of its two members. The liability of the members is limited and is not to exceed £1 per member. Birmingham Professional DiverCity recorded a surplus of £19,158 for the period ended 31 December 2003 (2002: £12,556) and its Reserves at 31 December 2003 totalled £31,714 (2002: £12,556). The surplus is materially represented by unspent grant monies which will be utilised post 31 December 2003. During the year the company provided management services to Birmingham Professional DiverCity for £5,000 (2002: £5,000).