

# **BIRMINGHAM FORWARD**

(Limited By Guarantee)

(Registered Number 2497023)

## **DIRECTORS' REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004**



## **BIRMINGHAM FORWARD**

(Limited by Guarantee)

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004**

The directors present their annual report and the audited accounts for the year ended 31 December 2004.

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**

Birmingham Forward has undergone a process of restructuring during 2004. As a result of unforeseen and non-recurring costs associated with this, the company has traded at a loss in excess of that forecast by the 2004 Budget.

Notwithstanding the loss incurred in 2004, we have a strong balance sheet and substantial cash reserves. 2005 has started in a robust and profitable fashion for membership subscriptions and event income generation. We expect this trend to continue throughout the year.

Total membership as at 31 December 2004 stood at 244 (2003 : 243 ) 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 who served during the period were:

D P Benussi  
R J Bowker  
C Braddock – appointed 31<sup>st</sup> March 2004  
D E Clarke – resigned at AGM on 31<sup>st</sup> March 2004  
D Daly  
L E Francis (Secretary) –resigned at AGM on 31<sup>st</sup> March 2004  
M C Gloster (Chairman)  
J Gramann – appointed 31<sup>st</sup> March 2004  
R Haywood  
D T Inman (Deputy Chairman)  
R Jinks  
J A Lodge  
A Martin  
C J Monk – resigned at AGM on 31<sup>st</sup> March 2004  
S F Murphy – appointed 1<sup>st</sup> August 2004 (Secretary)  
M Newcombe  
D Roberts  
D M Slade  
C R Smith – appointed Secretary for the period 31<sup>st</sup> March to 31<sup>st</sup> July 2004  
A P Sparrow  
A J Steatham

## **BIRMINGHAM FORWARD**

(Limited by Guarantee)

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004 (CONTINUED)**

#### **COUNCIL OF MANAGEMENT**

In accordance with the Articles of Association Diane Benussi shall retire by rotation at the Annual General Meeting and, being eligible, will offer herself for re-election.

R Haywood, A Martin, D M Slade, C R Smith and A J Steatham 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**

A resolution for the re-appointment of Baker Tilly as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

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



S F MURPHY  
Secretary  
2<sup>nd</sup> March 2005

# **BIRMINGHAM FORWARD**

(Limited by Guarantee)

## **INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004**

	<u>Notes</u>	<u>2004</u> £	<u>2003</u> £
Income	4	389,743	355,753
Administrative expenses	5,6/7	(482,715)	(366,083)
		(92,972)	(10,330)
Interest receivable		5,786	6,224
<b>DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(87,186)	(4,106)
Taxation on interest	8	-	-
<b>DEFICIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	12	(87,186)	(4,106)
Revenue reserve brought forward	12	131,910	136,016
<b>REVENUE RESERVE CARRIED FORWARD</b>		44,724	131,910

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 2004**

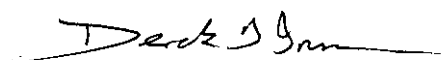
	<u>Notes</u>	<u>2004</u> £	<u>2003</u> £
<b>FIXED ASSETS</b>	9	6,152	5,316
<b>CURRENT ASSETS</b>			
Debtors	10	33,069	32,492
Cash at bank and in hand		<u>112,024</u>	<u>178,449</u>
		145,093	210,941
<b>CREDITORS</b> (amounts falling due within one year)	11	<u>(106,521)</u>	<u>(84,347)</u>
<b>NET CURRENT ASSETS</b>		<u>38,572</u>	<u>126,594</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>44,724</u>	<u>131,910</u>
<b>RESERVES</b>			
Revenue Account	12	<u>44,724</u>	<u>131,910</u>

These accounts were approved by a duly authorised committee of the Council of Management on 2<sup>nd</sup> March 2005 and signed on its behalf by:

**COUNCIL MEMBERS**



M C GLOSTER



D T INMAN

## **BIRMINGHAM FORWARD**

(Limited by Guarantee)

### **NOTES TO THE ACCOUNTS - 31 DECEMBER 2004**

#### **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 2004 the membership totalled 244.

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 lesser.

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**

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## **NOTES TO THE ACCOUNTS - 31 DECEMBER 2004 (CONTINUED)**

### **4. INCOME**

	<u>2004</u> £	<u>2003</u> £
Subscriptions (incl. patrons/business affiliates)		
Birmingham Forward	176,962	180,738
Birmingham Future	23,672	19,733
Sponsorship and other income		
Birmingham Forward	28,287	50,861
Birmingham Future	107,822	104,421
Graduate Fair	49,322	-
Pan Regional	3,678	-
	<u>389,743</u>	<u>355,753</u>

Sponsorship and other income for Graduate Fair includes £45,176 (2003: £Nil) in respect of a grant from Advantage West Midlands. Sponsorship and other income for Pan Regional includes £3,648 (2003: £1,352) 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>2004</u> £	<u>2003</u> £
Salaries	124,592	126,215
Social security costs	10,905	12,183
Promotional items including events	158,062	142,780
Other expenses	1,888	1,353
Office rental	18,896	19,500
Other occupancy and office running costs	70,370	55,918
Audit fee	3,750	3,200
Depreciation	5,932	4,934
Graduate Fair expenses	49,603	-
Professional and recruitment fees	20,695	-
Consultancy fees	18,022	-
	<u>482,715</u>	<u>366,083</u>

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

Graduate Fair and Pan Regional expenses are funded by a grant from Advantage West Midlands.

# **BIRMINGHAM FORWARD**

(Limited by Guarantee)

## **NOTES TO THE ACCOUNTS - 31 DECEMBER 2004 (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>2004</u> £	<u>2003</u> £
Salaries	23,211	22,407
Events	63,470	65,015
PR & promotion	12,851	28,479
IT & website	450	105
Office running costs	14,419	14,757
	<u>114,401</u>	<u>130,763</u>

### **7. STAFF NUMBERS AND COSTS**

The secretariat's staff comprised the Executive Director, 4 full time and 1 part time assistants until 31<sup>st</sup> March 2004. With effect from 31<sup>st</sup> March 2004 to 31<sup>st</sup> July 2004 the role of the Executive Director was replaced with a part time Interim Chief Executive. The Interim Chief Executive was replaced by a permanent part time Chief Executive with effect from 1<sup>st</sup> August 2004.

No Council Members received any remuneration or fees with the exception of Ms L E Francis in her capacity as Executive Director, Mr C R Smith in his capacity as Interim Chief Executive, and Mr S F Murphy in his capacity as Chief Executive. Ms Francis' emoluments in the year totalled £12,136 (2003: £48,544) with an additional sum of £16,000 paid as compensation for loss of office, Mr Smith's emoluments in the year totalled £18,022 (2003: £Nil) and Mr Murphy's emoluments in the year totalled £15,128 (2003 : £Nil)

### **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>2004</u> £	<u>2003</u> £
Interest received	<u>5,786</u>	<u>6,224</u>
Interest received multiplied by the standard rate of taxation for small companies 19% (2003: 19%)	1,099	1,183
Less starting rate relief	<u>(1,099)</u>	<u>(1,183)</u>
Current tax for the year	<u>-</u>	<u>-</u>



# **BIRMINGHAM FORWARD**

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## **NOTES TO THE ACCOUNTS - 31 DECEMBER 2004 (CONTINUED)**

### **9. FIXED ASSETS**

	Computer Equipment £
<b>Cost</b>	
1 January 2004	20,615
Additions	<u>6,768</u>
31 December 2004	<u>27,383</u>
<b>Depreciation</b>	
1 January 2004	15,299
Charge for year	<u>5,932</u>
31 December 2004	<u>21,231</u>
<b>Net book amount</b>	
31 December 2004	<u>6,152</u>
31 December 2003	<u>5,316</u>

### **10. DEBTORS (amount falling due within one year)**

	<u>2004</u> £	<u>2003</u> £
Trade debtors	18,267	12,874
Other debtors	9,502	3,272
Prepayments and accrued income	<u>5,300</u>	<u>16,346</u>
	<u>33,069</u>	<u>32,492</u>

### **11. CREDITORS (amount falling due within one year)**

	<u>2004</u> £	<u>2003</u> £
Trade creditors	17,025	8,482
Other taxes and social security	3,926	4,764
Other creditors	1,295	10
Subscriptions and other income received in advance	75,254	66,541
Accruals	<u>9,021</u>	<u>4,550</u>
	<u>106,521</u>	<u>84,347</u>

**BIRMINGHAM FORWARD**

(Limited by Guarantee)

**NOTES TO THE ACCOUNTS - 31 DECEMBER 2004 (CONTINUED)**

**12. RESERVES**

	Revenue Reserve £
Opening balance at 1 January 2004	131,910
Deficit for the year	(87,186)
	<hr/>
Closing balance at 31 December 2004	44,724

**13. COMMITMENT UNDER OPERATING LEASE**

At 31 December 2004, the company was committed to making the following annual payments under non-cancellable operating leases as follows:

Land and buildings:	<u>2004</u> £	<u>2003</u> £
Expiring within one year	4,875	4,875

**14. CAPITAL COMMITMENTS**

At 31 December 2004 the company had contracted capital commitments of £Nil (2003: £Nil).

## **BIRMINGHAM FORWARD**

(Limited by Guarantee)

### **NOTES TO THE ACCOUNTS - 31 DECEMBER 2004 (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:

<b>DIRECTOR NAME</b>	<b>COMPANY</b>	<b>VALUE IN THE YEAR £</b>	<b>VALUE IN PREVIOUS YEAR £</b>	<b>YEAR END BALANCE £</b>
R J Bowker	Ernst & Young	Nil	465	Nil
M Abrams	Myratech.net	Nil	6,964	Nil
D E Clarke	Clarke Associates	Nil	438	Nil
J Gramann	Jill Gramann Market Research	4,745	2,170	Nil
R Haywood	Wragge and Co	3,130	Nil	Nil
D Roberts	Headline Communications	Nil	1,170	Nil
D Roberts	WebXpress	Nil	969	Nil
A Steatham	Xlibris	3,631	700	Nil
C Smith	Boston Fieldgate	18,022	Nil	Nil

#### **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 deficit of £3,432 for the period ended 31 December 2004 (2003: surplus £19,158) and its Reserves at 31 December 2004 totalled £28,282 (2003: £31,714). The surplus is materially represented by unspent grant monies which will be utilised post 31 December 2004. During the year the company provided management services to Birmingham Professional DiverCity for £960 (2003: £5,000).

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIRMINGHAM FORWARD

We have audited the financial statements on pages 3 to 10.

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.

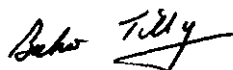
### Basis of opinion

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 2004 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 2005