

**NORTH EAST CHAMBER OF  
COMMERCE, TRADE AND  
INDUSTRY  
(LIMITED BY GUARANTEE)**

**CONSOLIDATED  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2000  
Company number: 2938084**



**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
(LIMITED BY GUARANTEE)**

**FINANCIAL STATEMENTS**

For the year ended 31 December 2000

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Company number: 2938084

Registered Office: Aykley Heads Business Centre  
Aykley Heads  
Durham  
DH1 5TS

Directors	L M Aviss	A Reynolds
and Council	M S A Ballinger	K Robinson
Members:	L Bell	D L Robson (resigned 16 October 2000)
	P Birt (resigned 19 February 2001)	T Robson
	R J Bottomley	Dr R J Sheahan (appointed 1 January 2000)
	Sir Kenneth Calman	N Sherlock
	D L Davies	P Stoddart (resigned 20 July 2000)
	F D Holborn	I G Strother
	J G Irwin	Sir Neville Trotter
	P D J Jolliffe	R P Webster
	M Lawlor	D J M Wilson
	C Lynas	N R Robson
	D W Midgley	A J Harding (appointed 19 June 2000)
	Sir Paul Nicholson	P Slaughter (appointed 17 April 2000)
	E M Nunn	R Turnbull (appointed 16 October 2000)
	Dr R M Penn	

Secretary: I S Robertson

Bankers: Barclays Bank plc  
Market Place Business Centre  
6/7 Market Place  
Durham  
DH1 3ND

Solicitors: Eversheds  
Sun Alliance House  
35 Mosley Street  
Newcastle upon Tyne  
NE1 1XX

Auditors: Grant Thornton  
Registered Auditors  
Chartered Accountants  
4th Floor  
Higham House  
Higham Place  
Newcastle upon Tyne  
NE1 8EE

**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
(LIMITED BY GUARANTEE)**

**FINANCIAL STATEMENTS**

For the year ended 31 December 2000

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# **NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY (LIMITED BY GUARANTEE)**

## **REPORT OF THE DIRECTORS**

For the year ended 31 December 2000

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The members of the Council present their report together with group financial statements for the year ended 31 December 2000.

The company is limited by guarantee. Each member of the company is liable to the extent of £1.00 in the event of the company being wound up and there being insufficient assets to pay off all the liabilities.

### **Principal activities and business review**

The principal activity of the Chamber is to provide independent representation of the interests of its members and generally contribute to the improvement of the conditions and trading environment in which businesses operate in the region. The principal activity of the Chamber's only trading subsidiary undertaking is the provision of training.

There was a profit for the year after taxation of £247,075 (1999: £242,512) which the directors consider to be satisfactory.

The members of the Council consider the results for the year to be satisfactory.

### **Principles of corporate governance**

The Council appreciates the value of good corporate governance. It believes that corporate governance principles should be applied in a sensible and pragmatic fashion having regard to the individual circumstances of the Chamber. The key objective is to enhance and protect members' interests.

### **Board structure**

Members of the Council constitute directors of the company for the purposes of the Companies Act 1985.

The directors during the year were L M Aviss, M S A Ballinger, L Bell, P Birt (resigned 19 February 2001), R J Bottomley, Sir Kenneth Calman, D L Davies, F D Holborn, J G Irwin, P D J Jolliffe, M Lawlor, C Lynas, D W Midgley, Sir Paul Nicholson, E M Nunn, Dr R M Penn, A Reynolds, K Robinson, D L Robson (resigned 16 October 2000), T Robson, Dr R J Sheahan (appointed 1 January 2000), N Sherlock, N R Robson, P Stoddart (resigned 20 July 2000), I G Strother, Sir Neville Trotter, R P Webster, D J M Wilson, A J Harding (appointed 19 June 2000), P Slaughter (appointed 17 April 2000), R Turnbull (appointed 16 October 2000).

The Board of Directors comprises only non-executive directors therefore in exercising their responsibilities the Board rely on the competence and probity of the executives of the company and on proper professional advice.

The Board is responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Board has established the following standing committees to assist the full Board in the exercise of its responsibilities:

### **Remuneration Committee**

The Remuneration Committee is chaired by Mr N Sherlock (President) and includes Mr R J Bottomley. This Committee is responsible for reviewing and determining executive remuneration, having regard to a general

# **NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY (LIMITED BY GUARANTEE)**

## **REPORT OF THE DIRECTORS**

For the year ended 31 December 2000

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policy framework for executive remuneration established by the Board. An analysis of directors' and employees' remuneration appears on page 13.

### **Audit Committee**

The Audit Committee is chaired by Mr R J Bottomley (Honorary Treasurer) and includes Mr M S A Ballinger, Mr N Sherlock, Mr P Stoddart (resigned 20 July 2000) and Mr R P Webster. The committee held its first meeting on 14 April 2000. The committee will meet at least twice a year and its terms of reference include the review of the annual accounts to be issued to members, the accounting policies of the Chamber, compliance with Financial Reporting Standards, internal controls and the planning, scope and conclusions of the external auditor's programme.

### **Fixed assets**

The directors are of the opinion that the market value on an existing use basis of certain of the freehold property is in excess of the net book value at 31 December 2000. However, in the absence of a recent professional valuation the directors are unable to quantify this excess.

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

Company law requires the 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, 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.

### **Introduction of the Single European Currency**

The directors do not anticipate any major effects on the Group from the introduction of the Single European Currency.

### **Post balance sheet events**

On 2 February 2001 a 125 year lease for new premises in Newcastle upon Tyne was executed. The subsequent transfer of both training and local office facilities from existing premises, together with work on the fabric of the new building, will result in significant expenditure and, as a result of this initiative, the Chamber secured additional funding of £1.1 million on 2 March 2001.

**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
(LIMITED BY GUARANTEE)**

**REPORT OF THE DIRECTORS**

For the year ended 31 December 2000

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**Auditors**

Grant Thornton were appointed auditors on 6 June 2000 to fill a casual vacancy in accordance with section 388(1) of the Companies Act 1985. Special notice pursuant to section 388(3) having been given, a resolution to reappoint Grant Thornton as auditors will be proposed at the Annual General Meeting.

ON BEHALF OF THE COUNCIL



I S Robertson  
Secretary

23 April 2001

**REPORT OF THE AUDITORS TO THE MEMBERS OF**

**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
(LIMITED BY GUARANTEE)**

We have audited the financial statements on pages 5 to 21 which have been prepared under the accounting policies set out on pages 5 and 6.

**Respective responsibilities of the directors and auditors**

As described on page 2 the directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

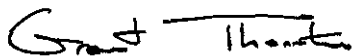
**Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 affairs of the company and the group at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
NEWCASTLE UPON TYNE**

23 April 2001

**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
(LIMITED BY GUARANTEE)**

**PRINCIPAL ACCOUNTING POLICIES**

For the year ended 31 December 2000

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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 except that certain of the freehold land and buildings are shown at their revalued amounts.

The principal accounting policies of the group have remained unchanged from the previous year and are set out below.

**BASIS OF CONSOLIDATION**

The group financial statements consolidate those of the company and of its subsidiary undertaking drawn up to 31 December 2000. Profits or losses on intra-group transactions are eliminated in full.

The subsidiary undertaking is valued in the parent company balance sheet at the company's shareholding of net assets. This represents a departure from statutory accounting principles. However, the directors consider that this policy is necessary in order that the financial statements may give a true and fair view.

**TURNOVER**

Turnover is the total amount receivable for services provided, excluding VAT. Income is derived from members' subscriptions, business and export services and the provision of training courses and contracts. Training contracts are accounted for in the financial statements when funding is approved.

**DEPRECIATION**

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Freehold land and buildings	Straight line over fifty years
Leasehold properties	Straight line over the life of the lease
Fixtures and fittings	20-33.33% Straight line
Motor vehicles	25% Straight line

The directors have taken advantage of the transitional rules of Financial Reporting Standard No 15 and have not restated any or all of the freehold properties held by the company to a consistent basis.

**LEASED ASSETS**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease. All other leases are regarded as 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.



**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
(LIMITED BY GUARANTEE)**

**PRINCIPAL ACCOUNTING POLICIES**

For the year ended 31 December 2000

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**DEFERRED TAXATION**

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise.

In accordance with Financial Reporting Standard No 19 the recognition of deferred tax on timing differences resulting from the revaluation of the investment of the subsidiary undertaking, North East Chamber of Commerce (Training) Limited, where there is no commitment to sell the subsidiary has not been recognised. Had this policy not been adopted the potential deferred tax liability at 31 December 2000 is £839,284.

**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 in the same period as the related expenditure.

**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
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**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2000

	Note	2000 £	1999 £
<b>Turnover</b>	1	7,910,677	7,220,222
<b>Cost of sales</b>		<u>(5,593,303)</u>	<u>(5,233,126)</u>
<b>Gross profit</b>		2,317,374	1,987,096
Administrative expenses		(2,315,280)	(1,990,228)
Other operating income		<u>228,356</u>	<u>191,137</u>
<b>Operating profit</b>		230,450	188,005
Interest receivable	2	<u>30,683</u>	<u>32,571</u>
<b>Profit on ordinary activities before taxation</b>	1,3	261,133	220,576
Tax on profit on ordinary activities	4	<u>(14,058)</u>	<u>21,936</u>
<b>Profit for the financial year</b>	12	<u>247,075</u>	<u>242,512</u>
<b>Transfer from revaluation reserve</b>	12	<u>1,580</u>	<u>1,580</u>
<b>Profit for the financial year transferred to reserves</b>		<u>248,655</u>	<u>244,092</u>

**Continuing operations**

None of the company's activities were acquired or discontinued during the current financial year.

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, TRADE AND INDUSTRY  
(LIMITED BY GUARANTEE)**

**CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2000**

	Note	2000 £	1999 £
<b>Fixed assets</b>			
Tangible assets	6	1,645,346	1,678,335
<b>Current assets</b>			
Debtors	8	1,334,813	1,130,507
Cash at bank and in hand		688,943	338,187
		<u>2,023,756</u>	<u>1,468,694</u>
<b>Creditors: Amounts falling due within one year</b>	9	<u>(1,391,541)</u>	<u>(1,120,601)</u>
<b>Net current assets</b>		<u>632,215</u>	<u>348,093</u>
<b>Total assets less current liabilities</b>		<u>2,277,561</u>	<u>2,026,428</u>
<b>Provisions for liabilities and charges</b>	10	<u>(4,058)</u>	<u>-</u>
		<u>2,273,503</u>	<u>2,026,428</u>
<b>Reserves</b>			
Revaluation reserve	12	30,827	32,407
Profit and loss account	12	2,242,676	1,994,021
		<u>2,273,503</u>	<u>2,026,428</u>

The financial statements were approved by the Council on 23 April 2001 and signed on its behalf by:

N Sherlock

*Nigel Sherlock*

Director

R J Bottomley

*Richard Bottomley*

Director

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

**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
(LIMITED BY GUARANTEE)**

**BALANCE SHEET AT 31 DECEMBER 2000**

	Note	2000 £	1999 £
<b>Fixed assets</b>			
Tangible assets	6	1,091,085	1,085,754
Investments	7	2,778,315	2,216,540
		<u>3,869,400</u>	<u>3,302,294</u>
<b>Current assets</b>			
Debtors	8	622,880	444,565
Cash at bank and in hand		150,856	110,036
		<u>773,736</u>	<u>554,601</u>
<b>Creditors: Amounts falling due within one year</b>	9	(2,354,605)	(1,815,439)
<b>Net current liabilities</b>		<u>(1,580,869)</u>	<u>(1,260,838)</u>
<b>Total assets less current liabilities</b>		<u>2,288,531</u>	<u>2,041,456</u>
<b>Reserves</b>			
Revaluation reserve	12	2,778,315	2,216,540
Profit and loss account	12	(489,784)	(175,084)
		<u>2,288,531</u>	<u>2,041,456</u>

The financial statements were approved by the Council on 23 April 2001 and signed on its behalf by:

N Sherlock  Director

R J Bottomley  Director

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

**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
(LIMITED BY GUARANTEE)**

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 31 December 2000

	Note	2000 £	1999 £
<b>Net cash inflow from operating activities</b>	13	<b>457,989</b>	137,102
<b>Returns on investments and servicing of finance</b>			
Interest received		<u>30,683</u>	<u>32,571</u>
<b>Net cash inflow from returns on investments and servicing of finance</b>		<u>30,683</u>	<u>32,571</u>
<b>Taxation</b>		-	21,936
<b>Capital expenditure and financial investments</b>			
Purchase of tangible fixed assets		(145,916)	(1,026,553)
Sale of tangible fixed assets		<u>8,000</u>	<u>5,069</u>
<b>Net cash outflow from capital expenditure and financial investment</b>		<u>(137,916)</u>	<u>(1,021,484)</u>
<b>Management of liquid resources</b>			
Sale of investments		<u>-</u>	<u>738,363</u>
<b>Net cash inflow from management of liquid resources</b>		<u>-</u>	<u>738,363</u>
<b>Increase/(decrease) in cash</b>	14	<u><b>350,756</b></u>	<u>(91,512)</u>

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

**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
(LIMITED BY GUARANTEE)**

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

For the year ended 31 December 2000

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	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
<b>NOTE OF HISTORICAL COST PROFITS AND LOSSES</b>		
<b>Profit on ordinary activities before taxation</b>	<b>261,133</b>	<b>220,576</b>
Difference between historical cost depreciation charge and depreciation charge based on the revalued amounts.	<u><b>1,580</b></u>	<u><b>1,580</b></u>
Historical cost profit on ordinary activities before taxation	<u><b>262,713</b></u>	<u><b>222,156</b></u>
Historical cost profit retained	<u><b>248,655</b></u>	<u><b>244,092</b></u>

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

**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2000

**1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Turnover is attributable to the following classes of continuing business:	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Membership subscriptions	914,791	841,025
Business services	838,919	816,333
Export services	518,415	549,259
Training	5,638,552	5,013,605
	<u>7,910,677</u>	<u>7,220,222</u>

The profit on ordinary activities is stated after:	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration:		
Audit - Group	7,500	8,325
Audit - Company	4,500	4,075
Non-audit services	4,000	3,665
Depreciation – tangible fixed assets, owned	175,535	157,494
Operating lease rental:		
Land and buildings	135,042	172,114
Plant and machinery	88,438	81,464
Hire of equipment	30,787	32,099
Government grants credited	<u>(228,356)</u>	<u>(191,137)</u>

**2 INTEREST RECEIVABLE**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Bank and other interest receivable	<u>30,683</u>	<u>32,571</u>

**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2000

**3 DIRECTORS AND EMPLOYEES**

Staff costs during the year were as follows:

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,141,442	2,868,214
Social security costs	248,366	234,771
Other pension costs	134,056	128,507
	<u>3,523,864</u>	<u>3,231,492</u>

The average number of employees of the group during the year was:

	<b>2000</b>	<b>1999</b>
	<b>Number</b>	<b>Number</b>
Chamber services	72	68
Training services	138	141
Administration	20	19
	<u>230</u>	<u>228</u>

Remuneration in respect of directors was as follows:

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Emoluments	-	-
Pension contributions	-	-
	<u>-</u>	<u>-</u>

No directors of the parent undertaking received remuneration during the year.



**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
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**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2000

**4 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2000 £	1999 £
The tax charge/(credit) represents:		
Corporation tax at 19.80%	10,000	-
Deferred tax (note 11)	4,058	-
	<u>14,058</u>	<u>-</u>
Adjustments in respect of prior year:		
Corporation tax	-	(21,936)
	<u>14,058</u>	<u>(21,936)</u>

The subsidiary undertaking, North East Chamber of Commerce (Training) Limited has an agreement with the Inland Revenue that certain income receivable by the company is not subject to taxation.

Unrelieved tax losses of £160,000 (1999: £160,000) remain available to offset against future taxable trading profits in respect of North East Chamber of Commerce, Trade and Industry.

**5 PROFIT FOR THE FINANCIAL YEAR**

The parent company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group profit for the year includes a loss of £314,700 (1999: loss £229,197) after tax, which is dealt with in the financial statements of the company.

**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2000

**6 TANGIBLE FIXED ASSETS**

<b>The Group</b>	<b>Land and buildings £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
As at 1 January 2000	1,559,297	1,082,377	55,793	2,697,467
Additions	13,052	108,065	24,799	145,916
Disposals	-	-	(25,632)	(25,632)
As at 31 December 2000	<u>1,572,349</u>	<u>1,190,442</u>	<u>54,960</u>	<u>2,817,751</u>
<b>Depreciation</b>				
As at 1 January 2000	270,959	717,923	30,250	1,019,132
Charge for year	46,890	115,187	13,458	175,535
Eliminated on disposals	-	-	(22,262)	(22,262)
As at 31 December 2000	<u>317,849</u>	<u>833,110</u>	<u>21,446</u>	<u>1,172,405</u>
<b>Net book value</b>				
<b>At 31 December 2000</b>	<u><b>1,254,500</b></u>	<u><b>357,332</b></u>	<u><b>33,514</b></u>	<u><b>1,645,346</b></u>
At 31 December 1999	<u>1,288,338</u>	<u>364,454</u>	<u>25,543</u>	<u>1,678,335</u>

The figures stated above for cost or valuation include a valuation as follows:

	<b>Land and building</b>	
	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
At cost	<u>1,222,349</u>	<u>1,209,297</u>
At 28 March 1991 valuation	<u>350,000</u>	<u>350,000</u>
	<u><b>1,572,349</b></u>	<u><b>1,559,297</b></u>

**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2000

**6 TANGIBLE FIXED ASSETS (CONTINUED)**

Of the freehold properties held by the company, one property is stated at a valuation whilst the other properties are held at cost. The directors have not restated the properties to a consistent basis of either cost or valuation as they have taken advantage of the transitional arrangements of Financial Reporting Standard No 15.

Certain freehold land and buildings were professionally revalued on 28 March 1991 by a firm of Chartered Surveyors on the basis of their open market value. The directors are not aware of any material change in the valuation since that date.

If the above had not been revalued, they would have been included on the historical cost basis at the following amount:

	<b>Land and building £</b>
Cost	254,862
Accumulated depreciation	<u>(37,255)</u>
Net book value at 31 December 2000	<u>217,607</u>
Net book value at 31 December 1999	<u>222,704</u>

<b>The Company</b>	<b>Land and buildings £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
As at 1 January 2000	901,431	699,342	39,770	1,640,543
Additions	5,179	89,312	24,799	119,290
Disposals	-	-	(25,632)	(25,632)
As at 31 December 2000	<u>906,610</u>	<u>788,654</u>	<u>38,937</u>	<u>1,734,201</u>
<b>Depreciation</b>				
As at 1 January 2000	79,421	453,130	22,238	554,789
Charge for year	21,951	79,185	9,453	110,589
Eliminated on disposals	-	-	(22,262)	(22,262)
As at 31 December 2000	<u>101,372</u>	<u>532,315</u>	<u>9,429</u>	<u>643,116</u>
<b>Net book value</b>				
At 31 December 2000	<u>805,238</u>	<u>256,339</u>	<u>29,508</u>	<u>1,091,085</u>
At 31 December 1999	<u>822,010</u>	<u>246,212</u>	<u>17,532</u>	<u>1,085,754</u>

**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2000

**7 FIXED ASSET INVESTMENT**

**The Company**

£

**Fixed asset investment comprises:**

As at 1 January 2000	2,216,540
Retained reserves for year	561,775
As at 31 December 2000	<u>2,778,315</u>

At 31 December 2000 the company held more than 20% of the allotted share capital of the following:

	Country of incorporation	Class of share capital held	Proportion held	Aggregate of capital and reserves £	Profit for the financial year £	Nature of business
North East Chamber of Commerce (Training) Limited	England	Ordinary	100%	2,778,315	561,775	Training company

**8 DEBTORS**

	The Group 2000 £	1999 £	The Company 2000 £	1999 £
Trade debtors	640,064	632,703	309,153	266,552
Other debtors	126,101	77,904	126,101	77,904
Prepayments and accrued income	568,648	419,900	187,626	100,109
	<u>1,334,813</u>	<u>1,130,507</u>	<u>622,880</u>	<u>444,565</u>

**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
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**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2000

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
		<b>(restated)</b>		<b>(restated)</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Payments received in advance	53,244	37,963	53,244	37,963
Trade creditors	330,268	242,596	221,540	120,249
Amounts owed to subsidiary undertaking	-	-	1,539,823	1,123,838
Corporation tax	10,000	-	-	-
Other taxes and social security costs	142,827	151,101	47,851	58,700
Accruals and deferred income	855,202	688,941	492,147	474,689
	<u>1,391,541</u>	<u>1,120,601</u>	<u>2,354,605</u>	<u>1,815,439</u>

The previous year's company and consolidated trade creditors have been restated to reflect deposits received from certain customers in advance, in respect of the export documentation service provided by the Chamber.

**10 PROVISIONS FOR LIABILITIES AND CHARGES**

**The Group**

	<b>Deferred tax £</b>
At 1 January 2000	-
Provided during the year	<u>4,058</u>
At 31 December 2000	<u>4,058</u>

**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
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**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2000

**11 DEFERRED TAXATION**

Deferred taxation provided for in the financial statements is set out below:

**The Group**

	Amount provided 2000 £	Amount provided 1999 £
Accelerated Capital Allowances	<u>4,058</u>	<u>-</u>

**12 RESERVES**

**The Group**

	Revaluation reserve £	Profit & loss account £
At 1 January 2000	32,407	1,994,021
Retained profit for the year	-	247,075
Transfer from revaluation reserve	(1,580)	1,580
At 31 December 2000	<u>30,827</u>	<u>2,242,676</u>

**The Company**

	Revaluation reserve £	Profit & loss account £
At 1 January 2000	2,216,540	(175,084)
Retained (loss) for the year	-	(314,700)
Increase in value of subsidiary undertaking	561,775	-
At 31 December 2000	<u>2,778,315</u>	<u>(489,784)</u>

**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2000

**13 NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2000 £	1999 £
Operating profit	230,450	188,005
Depreciation	175,535	157,494
Profit on sale of tangible fixed assets	(4,630)	(3,228)
Increase in debtors	(183,105)	(196,582)
Increase/(decrease) in creditors	239,739	(8,587)
Net cash inflow from operating activities	<u>457,989</u>	<u>137,102</u>

**14 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	2000 £	1999 £
Increase/(decrease) in cash in year	350,756	(91,512)
Cash inflow from decrease in liquid resources	-	(738,363)
Change in net funds/(debts) in year	350,756	(829,875)
Net funds at 1 January 2000	338,187	1,168,062
Net funds at 31 December 2000	<u>688,943</u>	<u>338,187</u>

**15 ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 January 2000 £	Cashflow £	At 31 December 2000 £
Cash at bank and in hand	<u>338,187</u>	<u>350,756</u>	<u>688,943</u>

**16 CAPITAL COMMITMENTS**

Neither the Group nor the Company had any capital commitments at 31 December 2000 or 31 December 1999.

**17 CONTINGENT LIABILITIES**

There were no known contingent liabilities at 31 December 2000 or 31 December 1999.

**NORTH EAST CHAMBER OF COMMERCE, TRADE AND INDUSTRY  
(LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2000

**18 DEFINED CONTRIBUTION PENSION SCHEMES**

The Group operates two defined contribution pension schemes for the benefit of the employees. The assets of the schemes are held separately from those of the Group in an independently administered fund for the benefit of the employees. Contributions by the Group amounted to £134,056 (1999: £128,507). Outstanding contributions at the year end amounted to £4,970 (1999: £8,098).

**19 LEASING COMMITMENTS**

Operating lease payments amounting to £26,451 (1999: £59,511) are due within one year. The leases to which these amounts relate expire as follows:

	2000		1999	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	21,122	5,329	41,616	17,895
Between one and five years	88,194	113,986	79,114	63,118
	<u>109,316</u>	<u>119,315</u>	<u>120,730</u>	<u>81,013</u>

**20 TRANSACTIONS INVOLVING DIRECTORS**

During the normal course of trade the company purchases goods and services and receives contributions from organisations in which directors have a material interest. All goods and services so provided are at arm's length and on normal commercial terms. In view of their number it would be inappropriate to disclose such transactions in these accounts. A register of transactions is available for inspection at the company's Registered Office. Any material transaction in the context of the accounts is approved by the Executive Board.

**21 CAPITAL**

The company is a company limited by guarantee not having a share capital. Each member of the company is liable to the extent of £1.00 in the event of the company being wound up and there being insufficient assets to pay off all the liabilities. Accordingly, the company has no shareholders' funds and no reconciliation of movements in shareholders' funds has been presented.