

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2000
FOR
UK COUNCIL FOR ELECTRONIC BUSINESS
(FORMERLY UNITED KINGDOM
CALS INDUSTRY COUNCIL)**

James Curtis & Co
Chartered Accountants
Registered Auditor
Victoria House
Desborough Street
High Wycombe
Bucks HP11 2NF



**UK COUNCIL FOR ELECTRONIC BUSINESS
(FORMERLY UNITED KINGDOM
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for the Year Ended 30 September 2000**

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**UK COUNCIL FOR ELECTRONIC BUSINESS
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**COMPANY INFORMATION
for the Year Ended 30 September 2000**

DIRECTORS:

D Lidstone
W J Budzynski
Prof K G Hambleton
R A Leggeter
Dr G A Atrill
M J S Palmer
Maj Gen A G Sharman
P S Woodford
C H Green
P A Hanson
J Widdrington
P R Tongue
A M Ladd
R B Mulligan
Professor N A Schofield
C J Coupland

SECRETARY:

J Bruell

REGISTERED OFFICE:

Victoria House
Desborough Street
High Wycombe
Buckinghamshire
HP11 2NF

REGISTERED NUMBER:

2971100

AUDITORS:

James Curtis & Co
Chartered Accountants
Registered Auditor
Victoria House
Desborough Street
High Wycombe
Bucks HP11 2NF

**UK COUNCIL FOR ELECTRONIC BUSINESS
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**REPORT OF THE DIRECTORS
for the Year Ended 30 September 2000**

The directors present their report with the financial statements of the company for the year ended 30 September 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of encouraging and promoting professional growth and educational advancement for the benefit of industry, commerce, the public, and those who are or who will be engaged in all aspects of computer aided acquisition and logistic support.

DIRECTORS

The directors during the year under review were:

D Lidstone	
W J Budzynski	
Prof K G Hambleton	
R A Leggeter	
Dr G A Atrill	
M J S Palmer	
Maj Gen A G Sharman	
P S Woodford	
C H Green	
R I Case	- resigned 21.2.00
P A Hanson	
J Widdrington	
C G Boardman	
P R Tongue	
A M Ladd	- appointed 21.2.00
R B Mulligan	- appointed 12.4.00
Professor N A Schofield	- appointed 12.4.00

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

AUDITORS

The auditors, James Curtis & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**UK COUNCIL FOR ELECTRONIC BUSINESS
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**REPORT OF THE DIRECTORS
for the Year Ended 30 September 2000**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



.....
C H Green - DIRECTOR

Dated: 12/2/01

**UK COUNCIL FOR ELECTRONIC BUSINESS
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**REPORT OF THE AUDITORS TO THE MEMBERS OF
UK COUNCIL FOR ELECTRONIC BUSINESS**

We have audited the financial statements on pages five to nine which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page seven.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

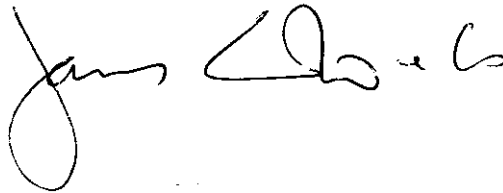
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 as at 30 September 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

James Curtis & Co
Chartered Accountants
Registered Auditor
Victoria House
Desborough Street
High Wycombe
Bucks HP11 2NF



Dated: 13 February 2001

**UK COUNCIL FOR ELECTRONIC BUSINESS
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**PROFIT AND LOSS ACCOUNT
for the Year Ended 30 September 2000**

		<u>2000</u>	<u>1999</u>
	Notes	£	£
TURNOVER		190,371	224,419
Cost of sales		<u>51,109</u>	<u>111,188</u>
GROSS PROFIT		139,262	113,231
Administrative expenses		<u>132,724</u>	<u>108,374</u>
OPERATING PROFIT	2	6,538	4,857
Interest receivable and similar income		<u>1,902</u>	<u>1,199</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		8,440	6,056
Tax on profit on ordinary activities	3	<u>1,449</u>	<u>724</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		6,991	5,332
Retained profit brought forward		<u>6,362</u>	<u>1,030</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£13,353</u></u>	<u><u>£6,362</u></u>

The notes form part of these financial statements

**UK COUNCIL FOR ELECTRONIC BUSINESS
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**BALANCE SHEET
30 September 2000**

		<u>2000</u>		<u>1999</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		2,509		5,512
CURRENT ASSETS:					
Debtors	6	41,636		23,337	
Cash at bank		<u>40,223</u>		<u>49,349</u>	
		81,859		72,686	
CREDITORS: Amounts falling due within one year	7	<u>71,015</u>		<u>71,836</u>	
NET CURRENT ASSETS:			<u>10,844</u>		<u>850</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u><u>£13,353</u></u>		<u><u>£6,362</u></u>
RESERVES:					
Profit and loss account			<u>13,353</u>		<u>6,362</u>
			<u><u>£13,353</u></u>		<u><u>£6,362</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

ON BEHALF OF THE BOARD:



.....
C H Green - DIRECTOR

Approved by the Board on 12/2/01

The notes form part of these financial statements

**UK COUNCIL FOR ELECTRONIC BUSINESS
(FORMERLY UNITED KINGDOM
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**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 September 2000**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover represents income from annual subscriptions, joining fees, courses and seminars, royalties, and Department of Trade and Industry grants, net of any applicable value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 50% on cost

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Government Grants

Government grants are taken to income in the period in which the related expenditure is charged in the Profit and Loss Account.

Stocks

The company produces technical guides, many of which are distributed free of charge and subject to technical obsolescence. In accordance with the requirement of prudent accounting, the costs are fully expensed in the year in which they are incurred.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2000	1999
	£	£
Depreciation - owned assets	8,022	5,755
Auditors' remuneration	<u>1,000</u>	<u>785</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

3. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	2000	1999
	£	£
UK corporation tax	1,449	737
Supplement on tax refunded	<u>-</u>	<u>(13)</u>
	<u>1,449</u>	<u>724</u>

UK corporation tax has been charged at 20.50% (1999 - 20.50%).

**UK COUNCIL FOR ELECTRONIC BUSINESS
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**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 September 2000**

4. GOVERNMENT GRANTS

Turnover includes income from grants received from the Department of Trade and Industry totalling £8,010 (1999 £59,875).

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc
	£
COST:	
At 1 October 1999	14,328
Additions	5,018
Disposals	<u>(1,093)</u>
At 30 September 2000	<u>18,253</u>
DEPRECIATION:	
At 1 October 1999	8,815
Charge for year	8,022
Eliminated on disposals	<u>(1,093)</u>
At 30 September 2000	<u>15,744</u>
NET BOOK VALUE:	
At 30 September 2000	<u>2,509</u>
At 30 September 1999	<u>5,512</u>

**6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000 £	1999 £
V.A.T.	-	2,516
Trade debtors	39,460	19,046
Other debtors	333	333
Prepayments	<u>1,843</u>	<u>1,442</u>
	<u>41,636</u>	<u>23,337</u>

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000 £	1999 £
Trade creditors	13,063	11,252
V.A.T.	869	-
Deferred Income	53,449	42,917
Taxation	1,449	737
Accrued expenses	<u>2,185</u>	<u>16,930</u>
	<u>71,015</u>	<u>71,836</u>

**UK COUNCIL FOR ELECTRONIC BUSINESS
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**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 September 2000**

8. TRANSACTIONS WITH DIRECTORS

In the year ended 30 September 1999 the company obtained commitments for special funding from six member companies in the sum of £15,000 per annum for the three years ending 31 December 2001. The companies are represented on the Board by the following Directors:

R A Leggetter	Marconi Electronic Systems
C H Green	Rolls Royce Plc
C G Boardman	British Aerospace Plc
R I Case/A M Ladd	GKN Westland Helicopters Ltd
J Widdrington	Vickers Defence Systems Ltd
P R Tongue	Smiths Industries Aerospace Ltd

9. SHARE CAPITAL

There is no authorised share capital as the company is limited by guarantee. In the event of the company being wound up and unable to pay its debts in full, the liability of each member to contribute to the funds of the company is limited to £1.

**UK COUNCIL FOR ELECTRONIC BUSINESS
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**TRADING AND PROFIT AND LOSS ACCOUNT
for the Year Ended 30 September 2000**

	2000		1999	
	£	£	£	£
Income:				
Annual Subscriptions	59,476		55,154	
Joining Fees	4,500		6,150	
Courses and Seminars	108		11,328	
Guides	870		100	
DTI Funding	8,010		59,875	
Professional Fees	-		3,432	
Special long-term funding	90,000		67,500	
Disbursements recharged	7,437		2,160	
Contributions, royalties, and sponsorship	11,750		15,000	
Advertising revenue	<u>8,220</u>		<u>3,720</u>	
		190,371		224,419
Cost of sales:				
Direct Cost of Publications	4,757		18,868	
Direct Cost of Events	22,696		12,165	
Development costs	<u>23,656</u>		<u>80,155</u>	
		<u>51,109</u>		<u>111,188</u>
GROSS PROFIT		139,262		113,231
Other income:				
Deposit account interest		<u>1,902</u>		<u>1,199</u>
		141,164		114,430
Expenditure:				
Secretariat	57,405		49,272	
Printing and Communications	21,996		15,867	
Computer Costs and WEB Site	5,602		8,048	
Repairs & renewals	630		343	
Subscriptions	850		1,500	
Sundry expenses	518		299	
Auditors remuneration	1,000		785	
Legal and professional	5,354		348	
Entertainment	-		92	
Travel	15,815		12,079	
Meetings	6,409		5,413	
Rent	<u>8,946</u>		<u>8,476</u>	
		<u>124,525</u>		<u>102,522</u>
		16,639		11,908
Finance costs:				
Bank charges		<u>178</u>		<u>97</u>
Carried forward		16,461		11,811

This page does not form part of the statutory financial statements

**UK COUNCIL FOR ELECTRONIC BUSINESS
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**TRADING AND PROFIT AND LOSS ACCOUNT
for the Year Ended 30 September 2000**

	<u>2000</u>		<u>1999</u>	
	£	£	£	£
Brought forward		16,461		11,811
Depreciation: Computer equipment		<u>8,021</u>		<u>5,755</u>
NET PROFIT		<u>£8,440</u>		<u>£6,056</u>