



Aberdeen & Grampian  
Chamber of Commerce  
The Ultimate Business Network

# ANNUAL REPORT



British  
Chambers of  
Commerce  
Accredited

Registered in Scotland as a company limited by Guarantee.  
Registration number SC000791



# ABOUT US

The Chamber which was established more than 150 years ago as the Aberdeen Chamber of Commerce now boasts a membership of 1200 members, 966 of whom are based in the City and the remainder from the Shire and beyond. Its membership employs on aggregate some 86,000 staff in the private sector making the Chamber North East Scotland's leading private sector member-based organisation.

The Chamber not only works to represent the views of business across a wide spectrum of issues, but it also provides a competitive range of business services and support for its members. Through its associations at national and international level it provides advocacy on key business and economic issues to government agencies and other important bodies.

## **Aberdeen & Grampian Chamber of Commerce**

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The Chamber which was established more than 150 years ago as the Aberdeen Chamber of Commerce now boasts a membership of more than 1200 organisations, throughout the City and the Shire, representing an aggregate employment of some 86,000 staff in the private sector making the Chamber North-east Scotland's leading private sector member-based organisation.

The Chamber not only works to represent the views of business across a wide spectrum of issues, but it also provides a competitive range of business services and support for its members. Through its associations at national and international level it provides advocacy on key business and economic issues to government agencies and other important bodies.

During the year, we adopted a new logo and branding to integrate us more closely with the national network, and adopted the strap-line "The Ultimate Business Network". We think that this accurately reflects the great value that the Chamber delivers for local members

## **POLICY AND REPRESENTATION**

The main policy forum for the Chamber is its Council, elected by the membership. We also reach out to represent your interests locally and nationally within Scotland (Scottish Chambers of Commerce) and the UK (British Chambers of Commerce) and play an active role on their committees and councils, and engage with their activities on your behalf. The Chamber is also in frequent dialogue with politicians at all levels; MPs, MSPs, Government officials and officers and councillors both in the City and in the Shire.

Locally during 2008 the Chamber has continued to represent the views of commerce on the Aberdeen City and Shire Economic Future (ACSEF), and has been pleased to have played its part in moving ACSEF to its new structure as the Economic Development Board for North-east Scotland, with an independent Chairman. The Chamber has been very pleased to lead on the issue of achieving positive culture change in the planning environment - an issue which members constantly tell us is critical to success.

The Chamber also continues to be an active member of various key strategic bodies impacting on the competitiveness of the region, including the North East of Scotland Transport Partnership (NESTRANS) a consultative forum specifically aimed at the development of Regional Transport Strategies. It is a founding member of the Aberdeen Airport Business Development Forum, supporting the development of the Airport and its surroundings, in particular having active input to the problem of access to and from the Airport. It is also a member of a diverse range of other organisations including the North East of Scotland Climate Change Forum, and the North East Scotland Agriculture Advisory Group.

The Chamber is also actively involved in responding to calls for evidence and inputting to consultations from both the Scottish and UK governments and other local and national organisations. Chamber documents, such as the twice-annual Oil & Gas Survey, are also used to inform decision makers at all levels.

The Chamber continues to be active in responding to enquires from both the print and broadcast media at local and national level and is acknowledged as one of the leading voices representing the business community in the North of Scotland.

## **TRAINING AND SKILLS DEVELOPMENT.**

In 2008, your Chamber delivered 144 open courses covering 60 different topics, mainly around business management and personal development, but also including specialist courses on Export Documentation and Employment Law. In addition, we delivered 19 customised in-company courses for a number of member companies. Two new groups enrolled in our year-long management development programme called Management Plus. In total, all courses attracted 946 delegates, marginally up on 2007.

Meanwhile, the Vocational Training team supported 118 candidates through the year on a range of Vocational Qualifications at different levels resulting in 61 receiving awards from SQA. Although there is still a core of government sponsored programmes for 18 to 25 year olds, nearly half of our income is now commercially funded.

## **BUSINESS SUPPORT**

The Chamber continues to be a point of contact for the wider Business Community providing a series of networking events to encourage development of business contacts and opportunities. These events also afford member companies opportunities to raise their profile through sponsorship and exposure via our redesigned Business Bulletin and revamped website.

2008 saw your Chamber enter into a partnership with Scottish Enterprise to deliver the Business Mentoring programme in the North East. In the period from June until the end of the year, our team found mentors for 90 of the next generation of business leaders.

A number of business best practice workshops have been created and promoted in the first few months of the year to assist companies combat any adverse effects from the current downturn in some sectors.

During the year we extended our insurance offering further by adding insurance against unforeseen legal expenses. There are plans to launch Business Network Online – a portal that will give members access to a much wider network of BCC members and business opportunities throughout the UK.

## **INTERNATIONAL BUSINESS**

The Region is regarded as one of the most internationalised in the UK and to meet this need the Chamber focuses on helping local businesses enter foreign markets. It achieves this through the provision of intelligence to its clients through a programme of varied events, articles in trade magazines and by one-to-one meetings with members. The International Business section of the website has recently been improved so that much information is readily available to members, including on-line libraries. Although providing advice and guidance on all geographical and industry sectors, the Chamber has nationally-recognised expertise in the oil and gas industry and in the difficult markets of Africa, Central Asia and China.

The UK West Africa Action Group (UKWAAG) is run under the auspices of the Chamber and this organisation has seen its activities expand during

the year from West Africa to include Southern and Eastern Africa and there are plans to re-name and re-brand UK WAAG on this basis. UK WAAG has obtained 5 trade partners who support WAAG and provide services to its members. To reinforce its international networks UK WAAG signed an agreement with an Angolan trade organisation during the year and this will help facilitate the formation of partnerships between Angolan and UK companies.

The Chamber and UK WAAG hosted delegations from Angola, Nigeria and China during the year and mounted 3 trade missions to Angola and one each to Nigeria, Ghana, Kazakhstan and South Africa. The Chamber is one of the largest providers of trade missions in the UK.

Our Export Documentation service has shown significant growth again during the year with a 17% increase in volume. The team has been successful in promoting the online certification service which now accounts for 45% of our business.

## **EVENTS**

A primary focus of the Chamber is to encourage business to business networking opportunities, with the goal of being perceived as “The Ultimate Business Network”.

In the past year your Chamber has organised some 53 Business to Business events attended by a total of 5008 delegates. The monthly flagship event associated with the Chamber is our Business Breakfast. In the last year our 12 breakfasts were attended by over 2000 delegates.

The calendar of networking even includes, Maximise your Membership, Networking Lunches, the Shire Connections Series, Business Suppers and Chamber Golf Challenges.

Our yearly showcase event is the Northern Star Business Awards and this attracted a record turnout of 950 guests in 2008. This year we would expect a similar attendance and a similar outstanding event. Nominations for the 2009 awards have now closed and judging to shortlist finalists has taken place.

# PRESIDENT'S REPORT

## **SUMMARY**

Your Chamber is active, energetic, and broadly based but at the same time focussed on providing services to business and ensuring that business is represented at all levels and age groups, locally and nationally. AGCC continues to be one of the most successful Chambers in Scotland and the UK, and it provides its members with a credible and powerful voice representing business in the North East of Scotland.

Finally, it is my pleasure to thank Geoff Runcie for the great service that he gave to the Chamber during his 6 years at the helm. Bob Collier has now picked up where he left off, and has already made time to see many of you during his induction period. I wish Bob and the new President every success going forward.



Mike Salter - Chamber President  
June 25 2009

## ACTIVITIES

Your Chamber found 2008 to be a more challenging operational year than expected when we put our plan together in 2007. But for exceptional items discussed below, we came very close to breaking even at the trading level as the first signs of a slowdown in the local economy began to have an impact. A number of areas, particularly Membership and Export Documentation performed exceptionally well, but some other key areas, such as Media Sales, Event Sponsorship, Commercial Training and International Missions fared less well for a variety of reasons set out below.

After a disruptive year of staff changes in 2007, we are pleased to report that staff turnover in 2008 was much improved. The new team has worked extremely hard to get to grips with the many issues that the Chamber has to deal with and the many products and services that we offer. The Chamber continues to deliver a very effective service for its members offering good value-for-money, and to punch above its weight.

Our key external role as an advocate for our Members and the wider business community was supplemented by the appointment of a secondee from one of our major stakeholders, Shell, helping us to once again conduct a survey amongst our Oil and Gas members. As reported elsewhere, we have supported and carried out some very detailed Policy development work for British Chambers of Commerce (BCC), Scottish Chambers of Commerce (SCC) and ACSEF in particular, ably informed and supported by members of the Board and Council. The introduction of a virtual policy forum streamlined this work.

Our policy of more active and personal engagement with members is intended to ensure that members receive the service you expect which has secured your ongoing support. Our Premier Partners in particular continue to engage in many parts of our non-commercial advocacy

activities. We value their good advice and strong support.

In the course of the year, we retained our annual BCC accreditation status again, and also retain our Investors in People recognition as part of our commitment to investing in staff development.

## BUSINESS REVIEW

The trading environment was in some areas significantly different to what was expected. We completed the year reporting an operating deficit of £33,127 (2007: surplus of £56,107), on turnover that increased from £1.85m in 2007 to £1.89m in 2008.

There was steady growth to report in membership numbers - a net rise of 32 year on year - and Membership income (17%). New Management Fee income - including fees for running the Business Mentoring programme in the North East and fees for the Young Chamber Schools project - partly filled the gap left by the loss of the Business Gateway Information Service in 2007. There was strong growth too experienced in our Export Documentation service (23%), reflecting increased export activity, and improved productivity from the new online service. Moving the Northern Star Business Awards into the AECC main arena allowed us to put on a memorable and entertaining event to a much bigger audience than the previous space allowed.

On the other hand, there were a number of factors at play that impacted on performance, most of them occurring in the second quarter of the year. Advertising revenues and sponsorship income for events other than the Northern Star Awards were both squeezed, as were the number of in-company training courses in the year. The government's international trade development arm - UKTI - withdrew funding for all missions, leaving us with a hole in our planned income of £50,000, and no option but to cancel some missions and look for alternative sources of funding for others.

Gross Margin held up year on year at 63%, although this was less than planned (68%), for the reasons identified above.

The additional investment in two full time equivalent staff in marketing and communications in the year impacted on net margins and overheads, together with exceptional costs. Most other overheads were broadly in line with 2007 with the exception of exceptional costs related to the recruitment of a new Chief Executive, plus additional travel and costs related to the induction of new employees into the Chamber network.

Having worked our way through a challenging trading year, we were hit in late December with significant non-trading losses that were incurred on the investment portfolio as a result of the markets response to the credit crunch. The total aggregate losses realised in the year were £48,804. Despite this, our investment managers remain confident about prospects for the portfolio in 2009, and indeed, we have already seen some recovery.

The Chamber's business model remains focussed around providing value-for-money services to members that yield a reasonable margin to fully recover our overhead. Any planned and generated trading surpluses are used for reinvestment in the services to members.

#### **BALANCE SHEET**

The combined deficits from trading - £33,034 - and non-trading activities - £38,081, resulted in a reduction in net asset value of £71,208, from £475,979 to £404,771.

The restructure of the investment portfolio at the end of 2007 (from individual holdings to managed funds) came unstuck, as a result of the impact of the credit crunch, as did most investment strategies in 2008. In the light of this experience, we are committed to quarterly review meetings with our investment fund managers whilst markets remain unpredictable and volatile.

The year end closed with the portfolio having a market value of £288,311 against a book value of £333,034. At time of writing (June 2009), the gap between book value and market value has seen a 10% recovery.

The average number of debtor days outstanding at the end of the year was 46 reflecting effective management, although we have taken the precaution of increasing the provision for bad debts in the light of expected tougher trading conditions in 2009.

#### **FUTURE OUTLOOK**

The marketplace in which the Chamber operates is experiencing the effects of the downturn. This coupled with the combined impacts of rising costs in 2008, the global credit squeeze and downturn will undoubtedly impact upon our region, and although Oil prices have recovered from recent lows most commentators see an investment impact feeding through in 2010. The general economy in Aberdeen City and Shire remains less affected than the UK generally. Against this backdrop we intend to manage the effects on trading during 2009.

The second half of this year will see a strategic review of operations led by the new Chief Executive and newly elected President, which will lay plans to build on the current mix of excellent services and identify new support activities for the vibrant economy of the region. The result of this periodic corporate planning will be communicated to members and stakeholders when completed, probably late in 2009.

The Chamber is an organisation that depends on the commitment and expertise of the staff team for delivery of our goals. To secure the best people and to afford the opportunity for each team member to develop themselves and to realise their full potential it is important that our business can afford to attract and retain the best people. Our combined commercial focus is vital if we are to achieve this objective.

**DIRECTORS**

The current Directors and members of the Council are listed on pages ten and eleven. New appointments will be made in accordance with the Chamber's Articles of Association.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

The auditors, Ritson Smith, will be proposed for re-appointment at the Annual General Meeting. So far as the Directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each Director has taken all the steps that he/she ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Ritson Smith, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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

BY ORDER OF THE BOARD



Robert Collier - Chief Executive  
June 25 2009

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 year. 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.

## **Chamber Board 2008/2009**

**Mr M Salter**  
Abbot Group Ltd  
President

**Mr G Mair**  
First Aberdeen Ltd  
Vice President  
Resigned October 10, 2008

**Ms D Michie**  
Shell Exploration & Production  
Vice President

**Mr G D Runcie**  
Chief Executive  
Resigned April 3, 2009

**MR R N Collier**  
Chief Executive  
Appointed April 1, 2009

**Mr C Lloyd**  
Steminic Ltd

**Ms Z Corsi**  
The BIG Partnership

**Mr R Cookson**  
Technip UK Ltd

**Dr T Runcie**  
OSM Solutions Ltd

**Mr C Parker**  
Aberdeen Harbour

**Mr N Stevenson**  
KCA Deutag LTD  
Appointed May 21 2008

**Mr R Aberdein**  
Aberdein Considine  
Appointed June 26, 2008

**Mrs E Harris**  
Cornerstone Community Care  
Appointed June 26, 2008

**Mr J Knowles**  
Aberdeenshire Council  
Resigned June 26, 2008

**Mrs K Lowe**  
John Lewis  
Resigned March 19, 2009

## **Chamber Council Holding Office until 2009**

**Mr D A Rennie**  
Stronachs

**Mr K Massie**  
VisitScotland

**Ms C Jones**  
Total E & P UK Plc

**Mr D Paton**  
Chartered Surveyors

**Mr D G Fraser**  
Aberdeen Football Club

**Mr J Michie**  
Charles Michie Chemists

**Mr P Sharp**  
McGrigors

**Mr G Shepherd**  
Ark Occupational Health

**Mr G F Rae**  
BusinessLab

## **Chamber Council Holding Office until 2010**

**Mr S Heslop**  
The Royal Bank of Scotland

**Mr P Dymond**  
Oil & Gas UK

**Ms J Young**  
Ledingham Chalmers

**Mr A McCuish**  
F G Burnett

**Ms S Halkerston**  
Macphie of Glenbervie

## Chamber Council Holding Office until 2010

**Ms B Tricker**  
Tricker PR

**Mr A Walker**  
Johnston Carmichael

**Mr A Green**  
Production Services Network

**Mr I Yuill**  
Cornerstone Community Care

**Mr J Wilson**  
Barclays Bank

**Mr K McCormick**  
Covey McCormick

## Ex Officio Members of Council

**Mr M Salter**  
President

**Mr G D Runcie**  
Chief Executive

**Mr C Watson**  
President, JCI Aberdeen

**Mr F Dalgarno**  
Dean of Guild

**Ms L Petrie**  
Aberdeen Businesswomen's Network

## Chamber Council Holding Office until 2011

**Mr C Crosby**  
Bell Lawrie

**Mr I Gabriel**  
Aberdeenshire Council

**Mr J Low**  
Stewart Milne Group Ltd

**Ms P Redpath**  
Source People Ltd

**Mr T Smith**  
BP Plc

**Ms A Tierney**  
Aberdeen City Council

**Mr S Buglass**  
Graham & Sibbald

We have audited the financial statements of Aberdeen & Grampian Chamber of Commerce for the year ended 31 December 2008 on pages fourteen to twenty-three. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

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:**

As described on page nine the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). See page 9.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion, the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you 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 the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2008 and of its deficit for the year then ended;
- The financial statements have been properly prepared in accordance with the Companies Act 1985;
- And the information given in the report of the directors is consistent with the financial statements.

Ritson Smith  
Chartered Accountants and Registered Auditors  
16 Carden Place  
Aberdeen  
AB10 1FX

Date: June 25, 2009

# INCOME AND EXPENDITURE ACCOUNT

		<b>2008</b>	<b>2007</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>INCOME</b>	2	1,889,603	1,853,640
Cost of sales		<u>692,623</u>	<u>714,599</u>
<b>GROSS SURPLUS</b>		1,196,980	1,139,041
Net operating expenses		<u>1,230,107</u>	<u>1,082,934</u>
<b>OPERATING (DEFICIT)/SURPLUS</b>	3	(33,127)	56,107
Income from fixed asset investments	5	8,686	14,114
(Loss)/Gain on disposal of fixed asset investments	6	(48,804)	38,956
Other interest receivable	7	8,298	10,744
Amounts written back to investments		-	12,934
Interest payable and similar charges	8	(6,261)	(9,300)
Gain on disposal of fixed assets		<u>-</u>	<u>1,500</u>
<b>(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(71,208)	125,055
Tax on (deficit)/surplus on ordinary activities	9	-	3,701
<b>(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>(71,208)</u>	<u>121,354</u>

# BALANCE SHEET

			<b>2008</b>	<b>2007</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>				
Tangible assets	10		32,085	29,180
Investments	11		<u>333,035</u>	<u>390,499</u>
			365,120	419,679
<b>CURRENT ASSETS</b>				
Debtors	12	322,919		328,265
Cash at bank and in hand		<u>191,933</u>		<u>192,047</u>
		514,852		520,312
<b>CREDITORS</b>				
Amounts falling due within one year	13	<u>475,201</u>		<u>464,012</u>
<b>NET CURRENT ASSETS</b>				
			39,651	56,300
Net assets			<u>404,771</u>	<u>475,979</u>
<b>RESERVES</b>				
Income and expenditure account	15		<u>404,771</u>	<u>475,979</u>
<b>MEMBERS' FUNDS</b>				
	16		<u>404,771</u>	<u>475,979</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 January 2007).

## ON BEHALF OF THE BOARD:

Mike Salter  
President

Chris Lloyd  
Vice President

Approved by the Board on June 25 2009

The company was incorporated under the Companies Act 1867 on 25 October 1877 with no share capital and a guarantee by each member not exceeding £1. The number of members at 31 December 2008 was 1,209 (2007: 1,177).

## 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 January 2007).

### Exemption from preparing consolidated financial statements

The financial statements contain information about Aberdeen & Grampian Chamber of Commerce as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements.

### Turnover

Turnover represents the amounts derived from subscriptions and the provision of services (excluding 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.

Fixtures and fittings - 20 - 33% on cost  
 Tenant's Improvements - 22.22 - 48% on cost

### Fixed asset investments

Fixed asset investments are stated at cost unless, in the opinion of the directors, there has been a permanent diminution in value, in which case an appropriate adjustment is made.

### Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

### Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

**2. ANALYSIS OF INCOME**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Subscriptions	547,626	467,688
Services	<u>1,341,977</u>	<u>1,385,952</u>
	<u>1,889,603</u>	<u>1,853,640</u>

**3. OPERATING (DEFICIT)/SURPLUS**

The operating (deficit)/surplus is stated after charging:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Depreciation- owned assets	15,220	20,997
Profit on disposal of fixed assets	-	1,500
Auditors remuneration	4,683	3,895
Directors' emoluments	113,375	84,172
Directors' pension contributions to money purchase schemes	5,878	5,447

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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**4. STAFF COSTS**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Wages and salaries	787,440	659,628
Social security costs	77,635	61,744
Other pension costs	<u>29,434</u>	<u>26,167</u>
	<u>894,509</u>	<u>747,539</u>

The average monthly number of employees during the year was as follows:

	<b>2008</b>	<b>2007</b>
Membership Services	23	21
Administration	<u>4</u>	<u>4</u>
	<u>27</u>	<u>25</u>

**5. INCOME FROM FIXED ASSET INVESTMENTS**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Dividends and interest received	<u>8,686</u>	<u>14,114</u>

**6. (LOSS)/GAIN ON DISPOSABLE ASSET INVESTMENTS**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
(Loss)/gain on disposal	<u>(48,804)</u>	<u>38,956</u>

Two disposals in December crystallised the majority of the annual losses of £48,804 within the portfolio. The Fund Managers reported that the holding in New Star was sold as concerns grew about the possibility of New Star Asset Management going into administration. They received advice from their corporate analysts recommending all New Star Funds be sold, and the holding was sold in the best interests of protecting the Chamber's portfolio.

The holding of Saracen Growth was sold due to poor performance and to the scale of redemptions that the fund was experiencing. Given the scale of redemptions and uncertain environment the Fund Managers felt compelled to dispose of the holding to best protect the Chamber's position.

**7. OTHER INTEREST RECEIVABLE**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Income from short term deposits	<u>8,298</u>	<u>10,744</u>

**8. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	6,261	4,995
Hire purchase interest	-	4,305
	<u>6,261</u>	<u>9,300</u>

## 9. TAXATION

### Analysis of the tax charge

The tax charge on the (deficit)/surplus on ordinary activities for the year was as follows:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Current tax:		
UK corporation tax	-	3,701
Tax on (deficit)/surplus on ordinary activities	<u>-</u>	<u>3,701</u>

### Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK.

The difference is explained below:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Tax on(Deficit)/Surplus on ordinary activities before tax	<u>(71,208)</u>	<u>125,055</u>
(Deficit)/Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% (2007 - 19.75%)	(20,292)	24,703
<b>Effects of:</b>		
Income not taxable for tax purposes - fixed assets	697	(4,641)
Expenses not deductible for tax purposes	3,495	175
Difference between capital allowances and depreciation	(1,915)	383
Dividend income not taxable	(1,207)	(1,468)
Unrelieved tax losses and other deductions	5,315	-
Loss utilised	-	(16,438)
Other short term timing differences	<u>13,907</u>	<u>987</u>
Current tax charge	<u>-</u>	<u>3,701</u>

### Factors that may affect future tax charges

A deferred tax asset amounting to £41,000 (2007 - £15,000) consisting mainly of trading and capital losses has not been recognised in these financial statements, as there is insufficient evidence of future surpluses to enable the asset to be recovered

**10. TANGIBLE FIXED ASSETS**

	<b>Tenant's improvements</b>	<b>Fixtures and fittings</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>			
At 1 January 2008	24,549	306,790	331,339
Additions	4,144	13,981	18,125
Disposals	-	(251,246)	(251,246)
	<hr/>	<hr/>	<hr/>
At 31 December 2008	28,693	69,525	98,218
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
At 1 January 2008	11,031	291,128	302,159
Charge for year	7,215	8,005	15,220
Eliminated on disposal	-	(251,246)	(251,246)
	<hr/>	<hr/>	<hr/>
At 31 December 2008	18,246	47,887	66,133
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 31 December 2008	10,447	21,638	32,085
At 31 December 2007	13,518	15,662	29,180
	<hr/>	<hr/>	<hr/>

**11. FIXED ASSET INVESTMENTS**

<b>COST AND NET BOOK VALUE</b>	<b>Group undertaking</b>	<b>Listed investments</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2008	1	390,498	390,499
Additions	-	131,743	131,743
Disposals	-	(189,207)	(189,207)
At 31 December 2008	<u>1</u>	<u>333,034</u>	<u>333,035</u>
At 31 December 2007	<u>1</u>	<u>390,498</u>	<u>390,499</u>

Market value of listed investments at 31 December 2008 - £288,311 (2007: £422,226).

The company's investments at the balance sheet date in the share capital of companies include the following:

**West African Action UK Limited**

Nature of business: Dormant

Class of shares:	<b>% holding</b>
Ordinary	100.00

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Aggregate capital and reserves	<u>1</u>	<u>1</u>

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

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Trade debtors	259,076	276,273
Other debtors	7,639	13,207
Prepayments	56,204	38,785
	<u>322,919</u>	<u>328,265</u>

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

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Bank overdraft	30,331	34,790
Subscriptions paid in advance	200,381	188,082
Trade creditors	56,351	46,704
Corporation tax	134	4,166
Social security and other taxes	2,560	20,837
VAT	44,334	50,052
Other creditors	141,110	119,381
	<u>475,201</u>	<u>464,012</u>

**14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES**

The following operating lease payments are committed to be paid within one year:

	<b>Land and buildings</b>		<b>Other operating leases</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Expiring:				
Between one				
and five years	56,000	54,600	31,565	48,401
	<u>56,000</u>	<u>56,000</u>	<u>31,565</u>	<u>48,401</u>

**15. RESERVES**

	<b>Income and expenditure account</b>
	<b>£</b>
At 1 January 2008	475,979
Deficit for the year	(71,208)
At 31 December 2008	<u>404,771</u>

**16. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
(Deficit)/Surplus for the financial year	(71,208)	121,354
Net addition to reserves	(71,208)	121,354
Opening reserves	475,979	354,625
Closing reserves	<u>404,771</u>	<u>475,979</u>

**17. RELATED PARTY TRANSACTIONS**

Various business related expenses are reimbursed to the directors during the year. At the year end £178 was due to Mr G Runcie.



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