



The Netherlands British Chamber of Commerce

Annual Report 1999

The Netherlands British Chamber of Commerce

established in London on April 16, 1891,
incorporated in 1958, the name amended in 1971

registered in England under N°. 82384
company limited by guarantee and not having a share capital

registered office:

'The Dutch House'
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ENGLAND

information section
business development

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secretariat
membership

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trade missions
projects

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Notice of Annual General Meeting

Hereby is given notice

that the **109th Annual General Meeting** of
The Netherlands British Chamber of Commerce
will be held at 'Het Rosarium in het Amstelpark',
Europaboulevard 1, Amsterdam, The Netherlands
on January 30, 2001 at 16:45 hours,
followed by a reception for members and guests hosted by the
Directors of W&S Nederland

AGENDA

1. to confirm the minutes of the 108th Annual General Meeting held on September 1, 1999 at the Royal Netherlands Embassy in London (*DOC-1*)
2. to note the Auditors' report (*DOC-3, page 3*)
3. to receive and, if deemed appropriate, to adopt the Chairman's Report and the Financial Statements for the year ending December 31, 1999 (*DOC-2 & DOC-3*)
4. to note the resignation of *Messrs Robert B Brooke (Int. Shakespeare Globe Centre Ltd)*, *William H Davidson (C3 Caledonia plc)*, *Jean-Paul Struyve (KLM Royal Dutch Airlines)* and *John C Pollock (Ernst & Young)* as members, and *Mr Ronald Brouwer (Kon. Nederlandse Ambassade, London)* as hon. observer of the General Council
to elect as members of the General Council, *Theo M M Gremmen (Urenco Ltd)*, *Alan M Jones (LeBoeuf Lamb Greene & MacRae)*, *André King (A&A Associates)*, *Jan A de Kreij (DKR Advisors bv)*, *Joop C Krenning (Clareville BV)* and *Philip H Paterson (Boekel de Nerée)*, who retire by rotation and have offered themselves for re-election
to confirm the co-option as member of the General Council of *Mr Floris J van Pallandt (KLMuk)*
to appoint *Mrs Catherine Bradley (British Embassy, Den Haag)* as an hon. observer at meetings of the General Council
5. to appoint two Patrons, *Their Excellencies Dame Rosemary Spencer DCMG (British Ambassador, Den Haag)* and *Willem O baron Bentinck van Schoonheten (Netherlands Ambassador, London)* have offered to serve
6. to appoint a President, *Richard J A de Lange (Royal Philips Electronics)*, and to appoint three Vice-Presidents, *Messrs Robert B Brooke (Int. Shakespeare Globe Centre Ltd)*, *Arie P de Geus (London Business School)* and *Jacques H Schraven (VNO/CNW)*; all have offered to serve
7. to appoint Auditors for the current year
8. to transact any other business which may be dealt with at an Ordinary General Meeting

London, October 20, 2000

By order of the General Council

Alan M Jones
Hon. Secretary

Note:

Any member entitled to vote at the above meeting may appoint a proxy to attend and vote in his stead. Any proxy so appointed need not be a member of the Chamber. The prescribed instrument appointing a proxy can be obtained from the registered address of the Chamber in London and shall be deposited at the registered address of the Chamber in London not less than 48 hours before the time appointed for holding the above meeting.

The General Council

at October 20, 2000

PATRONS

HE Dame Rosemary Spencer DCMG	British Ambassador, Den Haag	✦
HE Willem O baron Bentinck van Schoonheten	Netherlands Ambassador, London	✦

PRESIDENT & VICE-PRESIDENTS

Richard J A de Lange	<i>President</i>	Royal Philips Electronics	✦
Arie P de Geus	<i>Vice-President</i>	London Business School	✦
Jacques H Schraven	<i>Vice-President</i>	VNO NCW	✦

OFFICERS OF THE GENERAL COUNCIL

Robert B Brooke	<i>Chairman</i>	Int. Shakespeare Globe Centre Ltd	
Theo M M Gremmen	<i>Chairman</i>	Urenco Ltd	
Alan M Jones	<i>Hon. Secretary</i>	LeBoeuf, Lamb, Greene & MacRae	✦
Joop C Krenning	<i>Hon. Treasurer</i>	Clareville BV	✦✦

MEMBERS OF THE GENERAL COUNCIL

Michael J Cornish	OCÉ (UK) Ltd	
William H Davidson	C3 Caledonia plc	✦
Richard C Greenhalgh	Unilever	
David Jordan	Royal Philips Electronics	
André A D King	A & A Associates	✦
S Rex Kingsley	The Netherlands British Chamber of Commerce	✦✦
Jan A de Kreij	DKR Advisors bv	✦
Willem P Offenberg	The Netherlands British Chamber of Commerce	✦✦
Floris J van Pallandt	KLMuk	
Philip H Paterson	Boekel de Néree	
John C Pollock	Ernst & Young	
Mrs Susanna J Smart	Reed-Elsevier	
Paul H A M Verhaegen	Rotterdam Business School	
Igno H J M van Waesberghe	ABN AMRO Bank NV	
Robert J W Walvis	Royal Dutch Shell	
Ian E Wilson	Corderoy International Ltd	
Hon. Observer at Council meetings		
Mrs Catherine Bradley	British Embassy, Den Haag	✦

AUDITORS

KPMG	8 Salisbury Square, London EC4V 3PD	
✦ member executive committee	✦✦ chairman executive committee	✦ no vote at meetings

Minutes 108th Annual General Meeting

The 108th ANNUAL GENERAL MEETING was held the Royal Netherlands Embassy, 38 Hyde Park Gate, London SW7 on September 1, 1999 at 16:30 hours, .

CHAIRMAN: Robert B Brooke

ATTENDANCE:

The chairman opened the 108th AGM at 16:30 hours, welcoming all present.

34 members attended; additionally 16 valid proxies, representing 7 members in Britain and 9 members in The Netherlands, were received from members appointing the Hon. Secretary or others as their representative.

AGENDA:

1. To confirm the minutes of the 108th annual general meeting

The minutes of the 108th Annual General Meeting, having previously been circulated, were taken as read and unanimously approved as a true record of the meeting.

They were signed by the Chairman.

2. Report of the Auditors

The Chairman asked the auditor whether he had any further comments concerning the auditor's report (DOC-3, page: 3).

The auditor had nothing to add and the report was unanimously accepted by the meeting.

3. To receive and, if deemed appropriate, to adopt the Chairman's Report and the Financial Statements for the year ending December 31, 1998 (*DOC-2 & DOC-3*)

The chairman highlighted some major points from the report and the accounts. He suggested that the report and the accounts, having been previously circulated, be taken as read and recommended the adoption of the Chairman's Report and the Financial Statements for the year ending December 31, 1998 and asked whether any member present had questions about the report or the accounts.

There being no questions the chairman proposed that they be adopted. Mr A Wood of Howes Percival seconded this proposal, which was unanimously carried by a show of hands.

4. To note the resignation of Messrs Richard J A de Lange (Royal Philips Electronics), Michel Ogrizek (Unilever), Jan Peelen (Unilever) and Jacques H Schraven (Royal Dutch Shell) as members of the General Council

to elect as members of the General Council, Messrs Robert B Brooke (PricewaterhouseCoopers), William H Davidson (Lilley Construction Ltd), Alan M Jones (LeBoeuf Lamb Greene & MacRae), Joop C Krenning (Clareville BV), Philip H Paterson (Boekel de Nerée) and John C Pollock (Ernst & Young), who retire by rotation and have offered themselves for re-election

to confirm the co-options as members of the General Council of Messrs Richard C Greenhalgh (Unilever) and Robert J W Walvis (Royal Dutch/Shell)

The chairman suggested one block vote for the group of members of the General Council due to retire by rotation and offering themselves for re-election and to include the co-options to the General Council.

This was agreed upon and the chairman proposed for re-election and co-option of the persons nominated to the General Council. Mr B Manning of W&S Interim Management seconded this proposal, which was unanimously carried by a show of hands.

5. To appoint two Patrons, *Their Excellencies Dame Rosemary Spencer DCMG (British Ambassador, Den Haag)* and *Baron Willem O Bentinck van Schoonheten (Netherlands Ambassador, London)* have offered to serve

The chairman highlighted the assistance the Chamber had received during the year from the Ambassadors and proposed the appointment of Their Excellencies as Presidents. The proposal was seconded by Mr I Wilson of Corderoy International and unanimously accepted by a show of hands.

6. To appoint a President, *Richard J A de Lange (Royal Philips Electronics)* has offered to serve.

The Chairman proposed the appointment of Mr De Lange. The proposal was seconded by Mrs S Smart of Reed-Elsevier and was unanimously accepted by a show of hands.

7. to appoint two Vice-Presidents, *Messrs Arie P de Geus (London Business School)* and *Jacques H Schraven (Royal Dutch/Shell)* have offered to serve.

The chairman proposed the appointment of the persons mentioned. The proposal was seconded by Mr S Garwood of MPI and was unanimously accepted by a show of hands.

8. To appoint *Miss Catherine Bradley (British Embassy, Den Haag)* and *Mr Ronald Brouwer (Kon. Nederlandse Ambassade, London)* as hon. observers at General Council meetings.

The chairman proposed the appointment of the persons mentioned. The proposal was seconded by Mr M J Cornish of OCÉ UK Ltd and was unanimously accepted by a show of hands.

9. To appoint Auditors for the current year.

The chairman proposed the appointment of KPMG as auditors of the Chamber and to hold office until the next Annual General Meeting at which accounts are laid before the Chamber and to delegate to the Executive Committee to fix their fee for the current year. Mr. J C Krenning of Clareville BV seconded the proposal which was unanimously carried by a show of hands.

10. To transact any other Business which may be dealt with at an Ordinary General Meeting

The chairman asked whether any member wished to raise any other business.

On behalf of the members Mr. P Schnepfer of The Cumberland Hotel proposed a vote of thanks to the Presidents, Vice-President, the General Council and the staff of the Chamber for their dedicated work in promoting the members' interests. The proposal was seconded by Mr D Wilkinson of L.G Wilkinson and unanimously accepted.

There was no other business.

The chairman asked Mr Brouwer to thank the Ambassador for allowing the use of the excellent accommodation. The chairman closed the meeting at 16:50 hours.

Chairman's Report

FINANCES

For the year under review the financial statements show an excess of expenditure over income of £47,650 after tax against a positive result of £8,361 in the previous year; consequently members' funds decreased to £50,014.

The main reason for this shortfall is the serious reduction in income received from servicing the Netherlands Government delegated task following the introduction of a new formula for the remuneration.

As in earlier years also the movements of sterling effected certain elements of the Chamber's business; in particular the returns from membership fees and client contracts in The Netherlands came out distinctly lower than in prior years.

Only the execution of activities like trade missions, exhibitions and private appointments schemes, with or without Dutch government assistance and the continuous promotion of the Chamber's commercial services to members and non-members, as well as selling a multitude of made-to-measure single client contracts accounted for an increase in the Chamber's own earned income.

The Netherlands government has awarded the Chamber the EVD delegated government task contract for 2000, although considerably limiting the scope of the service. Furthermore this government service will be discontinued from January 1, 2001.

The consequences of these actions are that the NBCC is now faced with a considerable excess of expenditure over income in 1999 as well as an expected shortfall for 2000.

However following a letter to the Netherlands Minister for Foreign Trade a reply was recently received in which the Minister pledges financial support for the Chamber through the commissioning of several government projects

in the UK to a maximum value of f180,000 over 3 years; i.e. f90,000 in 2001, f60,000 in 2002 and f30,000 in 2003.

This undertaking will provide the opportunity to continue with the NBCC's operations, albeit in a reorganised format. Early retirement and the increased use of freelance and part-time staff will help to achieve the projected results, whilst achieving a lower fixed cost base. However the final form this will take, will be clearer in early February 2001.

MEMBERSHIP OF THE GENERAL COUNCIL

The British Ambassador at Den Haag, Her Excellency Dame Rosemary Spencer DCMG and the Netherlands Ambassador in London, His Excellency Willem O baron Bentinck van Schoonheten, were appointed Patrons.

Mr Richard J A de Lange was appointed President and Messrs Arie P de Geus and Jacques H Schraven were appointed Vice-Presidents.

In the course of the year Messrs Richard C Greenhalgh (Unilever) and Robert J W Walvis (Royal Dutch/Shell) were co-opted onto the Council and duly elected.

Mrs Catherine Bradley (British Embassy Den Haag) and Mr Ronald Brouwer (Royal Netherlands Embassy London) were appointed as hon. observers at meetings of the General Council. However following a transfer away from the UK Mr Brouwer relinquished his position as hon. observer at the end of 1999.

NBCC PERSONNEL

The Chamber employed 8 full time staff during the course of 1999. To assist with various projects and other activities part-time and freelance staff are hired in as required.

11 students from Dutch universities and business schools were again awarded internships.

The Chamber runs its own retirement and death benefit scheme for staff in the UK with three members contributing at present.

Details of the 'pension scheme' are given in note 15 of DOC-3 of this report.

SUPPLY OF INFORMATION

The principal activity of the information section is to provide support to members and other enquirers in Britain, The Netherlands and Ireland looking to develop all forms of commercial relations. Referral of members' names to all relevant enquirers is an essential part of this activity.

The total amount of general enquiries received was lower than in previous years. The most likely course is that many companies now use the Internet for simple queries.

On the other hand the nature of the enquiries received by the Chamber has changed with many companies asking more detailed and specific questions.

This section also deals with the EVD Delegated Government Task.

EVD 'DELEGATED GOVERNMENT TASK'

During the year the Chamber carried out all activities designated under the contract with the EVD, which is now controlled from the Royal Netherlands Embassy in London.

The Chamber continued the pro-active role to identify and acquire contacts, which are seeking to purchase goods and services in The Netherlands.

Within the framework of this contract over 7,134 enquirers, looking to procure products or services in The Netherlands, were provided with details of relevant Dutch manufacturers and exporters during 1999. Of the more detailed enquiries, nearly 1,169 were also forwarded to the 'Holland Trade System' in Woerden for parallel processing.

The Chamber provides this service free of charge for enquirers in Britain and Ireland in order to increase exports for companies in The Netherlands. The above also include a fair number of enquiries concerning setting up business in The Netherlands.

EVD EXPORT PROMOTIONAL ACTIVITIES

The NBCC is involved in various aspects of the EVD export promotional programmes with marketing and appointment schemes in England & Scotland.

The Chamber continues to recruit and execute projects under the PSB umbrella ('*Programma Starters Buitenlandse Markten*') commissioned by chambers of commerce and trade associations in The Netherlands and financially supported by the EVD.

The new, wider scope of the PSB introduced in 1999 is of particular interest to the NBCC as it's in-house, as well as its immediate access to outside expertise, makes the NBCC well qualified to fulfil contracts in this scheme.

BUSINESS SECRETARIAL SERVICES

The service includes secretarial office services, dedicated telephone answering, postbox, registered address and a payroll processing facility; many are used by Dutch companies starting to develop their business transactions in the UK. Other clients include companies registering patents in Great Britain.

The BTW/VAT reclaim service, the translation services and the electronic company reporting service continue to be popular. In addition to providing filed details of companies the Chamber also offers credit checks and advises on debt collection.

The NBCC acts as the general secretariat for COBCOE, - *the Council of British Chambers of Commerce in Continental Europe* -.

MEMBERSHIP PUBLICATIONS

At the end of 1998 discussions with a new publisher for the Chamber's magazine '*inTouch*' were rounded off successfully. The magazine received a full face-lift and appeared in full colour 4 times in 1999 without any cost to the NBCC.

The 'Anglo-Dutch Trade Bulletin' provides publicity and adverts for companies seeking to develop their business. The 'NBNews' contains highly topical items of business news.

The highly popular '1999/2000 Trade Directory and Desk Diary' was also published.

MARKETING PUBLICATIONS

New and regularly updated editions of a whole range of marketing publications are produced in both offices. Additionally important market surveys and occasional papers on other items of specific interests to (non)-members are produced regularly too.

The Chamber is acting as a distributor for outside publishers. This has proved to be a very fruitful addition to the Chambers range of products and services.

TRADE PROMOTIONAL EVENTS

As in previous years the NBCC was involved in the organisation of numerous trade missions, individual and collective appointment schemes, and seminars on trading with Britain, Ireland and The Netherlands.

In co-operation with the Dutch association of turbine makers, VGT, the Rotterdam KvK and the EVD the Chamber organised a three-day trade mission to Aberdeen.

At the request of the FME the NBCC was instrumental in putting together appointments' schemes for a Dutch delegation of suppliers to the engineering industry. The two-day event, 'World Wide Engineering', took the form of individual, timed meetings with 11 major British operators worldwide. There were 33 participating companies and some 264 appointments were made.

On behalf of the Royal Netherlands Embassy the Chamber organised a trade reception at the Offshore Europe Exhibition in Aberdeen on the occasion of a visit by Minister Ybema to the Netherlands stand, which was co-ordinated by the IRO and the NCH. Also the Netherlands consul to Aberdeen took an active part in the proceedings.

On behalf of a firm of consulting engineers specialising in all aspects of railway engineering, a three days fact-finding visit to the UK was set up in June. The NBCC made appointments with relevant institutions and arranged meetings.

In co-operation with the Nederlandse Export Combinatie (NEC) the Chamber organised a visit to three major supermarket chains in the North of England. Eight Dutch food companies took part.

The Chamber also participated in several exhibitions, with stand space always available to members, like Intrade, which was held in Olympia over three days. The exhibition produced over 100 enquiries and new contacts relating to Dutch exports and imports.

The Netherlands office organised a number of very successful one-day UK exhibition visits.

In the latter part of 1999 a new initiative was deployed in Ireland to focus on the Chamber's ability to promote Irish-Netherlands trade v.v. In connection herewith co-operation was established with a Dutch trade consultant and the Netherlands-Irish Export Club in Dublin. The initiative is also supported by the ABN AMRO bank and KPMG in Ireland.

MEMBERSHIP & NETWORK ACTIVITIES

During the year 2 regional Business Fora were established, viz. Anglia and Scotland.

Regularly seminars, business briefings and other network activities were organised in the UK and The Netherlands with prominent speakers on many topics.

The 37th 'NBCC Golf Day', was sponsored by KLMuk with many other prizes donated by member companies. The event provides an excellent networking day out.

All these events provide great opportunities for members, as well as directly focussing attention onto the NBCC.

ANNUAL LUNCHEON & AWARDS PRESENTATION

The 108th annual luncheon with over 250 guests attending was held at the Amsterdam Okura Hotel in November with the President of Royal Philips Electronics, Cor Boonstra, as the principal speaker.

The XVIIIth presentation of the Anglo-Dutch Awards for Enterprise, sponsored by ABN AMRO Bank, Royal Dutch/Shell, Royal Philips and Unilever, followed the lunch.

The Award scheme attracted a good number of highly interesting entries.

Following the Annual Luncheon, Dame Rosemary, the British Ambassador in Den Haag hosted a reception at her residence.

ANNUAL GENERAL MEETING

The Annual General Meeting was held in September at the Royal Netherlands Embassy in London. The meeting was followed by the traditional annual members' reception.

THE NETHERLANDS OFFICE

The year 1999 was an interesting and active year for the office in Amsterdam with the trend of the last few years of a gradual increase of activities, continuing. The NBCC was able to use the strong position of sterling to generate considerable interest in the UK market amongst Dutch exporters; this was also reflected in the number of the so-called PSB projects, market research and itinerary preparation schemes for UK visits.

The office, in co-operation with the office in London, was involved in the organisation of 5 networking activities, 4 commercial/trade promotional activities, 6 trade missions and 4 seminars.

Almost 500 Dutch and British companies bought one or more of the NBCC commercial services through the Netherlands Office of the NBCC, ranging from standard lists of addresses to in depth market research reports. The office listed 86 business visitors to discuss trade opportunities and services.

The NBCC continues as the secretariat for the overseas branch of the British Institute of Directors (IOD) in The Netherlands.

As such, the office was involved in the organisation of a number of networking dinners and lunches with high profile speakers, like former Premier Van Agt, Ford Europe Chairman Nicolas Scheele, ING's Alexander Rinnooy Kan and former Marks & Spencer chairman and CEO Richard Greenbury.

NBCC MEMBERSHIP

The overall membership was reduced on balance by 16 companies during the year.

The main reasons for resignations are the removal of members persistently delinquent in paying their fees, or for non-payment caused by bankruptcy and frequently by takeovers.

At the end of the year membership stood at 381.

OUTLOOK FOR 2000 AND 2001

Earlier in this report a reference was made to the expected worsening of the financial situation of the Chamber in the year 2000 due to the diminishing returns from the Netherlands government delegated task contract.

However with the recurring business from members, trade associations, the additional projects commissioned by the EVD and the Royal Netherlands Embassy in 2001-2003 and the financial benefits of the re-organisation in progress, the Council expects to reach a break-even situation at the end of 2001 and a return to a surplus of income over expenditure after that year. The cash position has substantially deteriorated during 1999 and 2000 due to deficits from operations. However, considering the re-organisation plan to be implemented in early 2001 and the expected improvements in the results for that year, the Council is of the opinion, that the NBCC will not be without sufficient liquid funds to meet its obligations as and when they fall due during 2001.

THANKS

The General Council is grateful to all members for their assistance in a wide variety of formats throughout the year. Furthermore we would like to express our special thanks to the Patrons, President and Vice-Presidents for their continued practical support.

We also wish to thank the staff at the Netherlands Foreign Trade Agency EVD, the Netherlands Ministry of Economic Affairs Foreign Economic Policy Division (BEB), the British Embassy at Den Haag, the Netherlands Desk of the Department of Trade and Industry and the Royal Netherlands Embassy in London for their support.

Last but not least we would like to pay tribute to all staff members of the Chamber for their loyalty and continuous efforts for providing a professional service to promote members' interests throughout the year.

On behalf of The General Council

Robert B BROOKE, chairman

Theo M M GREMMEN, chairman

The Netherlands British Chamber of Commerce

owns all rights to and uses the following names and its abbreviations in its operations:

De Nederlands-Britse Kamer van Koophandel
De Nederlandse Kamer van Koophandel in het Verenigd Koninkrijk
De Britse Kamer van Koophandel voor Nederland

The Netherlands British Chamber of Commerce
The Netherlands Chamber of Commerce in the United Kingdom
The British Chamber of Commerce in The Netherlands
The Anglo-Dutch Trade Council
The Irish-Netherlands Trade Council

'inTouch'
Anglo-Dutch Awards for Enterprise
Anglo-Dutch Trade Bulletin
NBNews
The Netherlands British Trade Directory and Desk Diary

Anglia-Netherlands Business Forum
Scottish-Netherlands Business Forum
NW England-Netherlands Business Forum
Irish-Netherlands Business Forum

NBeOffice
Netherlands-British Web Links
'Get Better Connected in Business'



Donating Members

BP Nederland BV	Golden Tulip Hotels
KLM ukRoyal Philips Electronics	Pink Elephant UK Ltd
PricewaterhouseCoopers	Shell International Petroleum Company Ltd
Shell Nederland	Unilever



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Financial Statements

December 31, 1999

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STATEMENT OF THE GENERAL COUNCIL'S RESPONSIBILITIES

Company law requires the General Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Chamber and of the surplus or deficit for that period.

In preparing those financial statements, the General Council is 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 Chamber will continue in business.

The General Council is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Chamber and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Chamber and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF
THE NETHERLANDS BRITISH CHAMBER OF COMMERCE

We have audited the financial statements in DOC-3, pages 4-12.

Respective responsibilities of the General Council and auditors.

As described on page 2 of DOC-3 the General Council is 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 General Council in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Chamber'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 affairs of the Chamber as at December 31, 1999 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

London, December 14, 2000

INCOME AND EXPENDITURE STATEMENT

for the year ending December 31

	Notes	1999 £	1998 £
INCOME			
Membership fees		81,982	88,162
Services and activities		291,997	236,340
Government contracts		<u>87,956</u>	<u>121,736</u>
	2	461,935	446,238
EXPENDITURE			
Staff costs	3	245,608	228,999
Office accommodation		53,107	50,546
Depreciation	8	5,722	5,658
Office running costs		48,948	52,703
Services and activities		135,913	94,623
Auditors' remuneration	4	6,000	5,004
Bad debts		4,111	3,683
Other		<u>4,975</u>	<u>1,860</u>
		(504,384)	(443,076)
Operating (deficit) / surplus on continuing operations		(42,449)	3,162
Exchange (loss) / profit		(5,441)	3,996
Interest receivable	6	<u>300</u>	<u>1,778</u>
		(5,141)	5,774
(Deficit) / surplus of income over expenditure before taxation		(47,590)	8,936
Taxation	7	<u>(60)</u>	<u>(575)</u>
(Deficit) / surplus of income over expenditure after taxation	11	<u>(47,650)</u>	<u>8,361</u>

There is no recognised income or expenditure other than that passing through the Income and Expenditure Statement.

BALANCE SHEET

as at December 31

	Notes	1999 £	1998 £
FIXED ASSETS			
Tangible assets	8	13,616	16,335
CURRENT ASSETS			
Debtors	9	115,933	50,342
Cash at bank and in hand		90,004	176,020
		<u>205,937</u>	<u>226,362</u>
CREDITORS			
Amounts falling due within one year	10	(169,539)	(145,031)
NET CURRENT ASSETS		<u>36,398</u>	<u>81,331</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>50,014</u>	<u>97,666</u>
MEMBERS' FUNDS	11	<u>50,014</u>	<u>97,666</u>

These financial statements were approved by the General Council on October 20, 2000.

On behalf of the General Council,

Robert B BROOKE, Chairman

Joop C KRENNING, Hon. Treasurer

Theo M M GREMMEN, Chairman

CASH FLOW STATEMENT

for the year ending December 31

	Notes	1999 £	1998 £
		<u> </u>	<u> </u>
Net cash (outflow) / inflow from operating activities	13	(77,472)	34,543
Return on investments and servicing of finance			
Interest received		300	34,543
Taxation			
Corporation tax paid		(400)	(375)
Capital expenditure			
Payments to purchase tangible fixed assets		(3,003)	(5,455)
(Decrease) / Increase in cash	14	<u>(80,575)</u>	<u>30,613</u>

NOTES *(forming part of the financial statements)***1. ACCOUNTING POLICIES**

The following policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Constitution

The Chamber is an incorporated company limited by guarantee having a licence to omit the word 'Limited'.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

True and fair override

The General Council have used the true and fair override by presenting the results for the year in the form of an income and expenditure statement rather than a profit and loss account. The General Council believe that the nature of the business makes a profit and loss account inappropriate.

Fixed assets and depreciation

Depreciation is provided to write off the cost of tangible fixed assets by equal instalments over the estimated useful economic lives as follows:

Office furniture and equipment	5 years
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Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision for deferred taxation is made if there is reasonable evidence that such deferred taxation will be payable in the foreseeable future.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Gains or losses on translation are included in the Income and Expenditure account.

Leased assets

Rentals in respect of operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

Pension costs

The Chamber operates a retirement and death benefit scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Chamber. Contributions to the scheme are charged to the Income and Expenditure account so as to spread the cost of pensions over employees' working lives with the Chamber. The contributions are determined by a qualified actuary on the basis of triennial valuations using the aggregate method of valuation.

NOTES (continued)*Membership fees*

The annual membership fees are due in advance from the first day of the month of joining. Each new and renewal fee is credited to income in 12 equal monthly instalments, the first one in the month of joining or renewing.

Government contracts

Government contracts are recognised on an accruals basis.

2. ANALYSIS OF INCOME

	1999 £	1998 £
<u>Membership fees</u>		
United Kingdom	34,203	35,486
The Netherlands	47,779	52,676
	<u>81,982</u>	<u>88,162</u>
<u>Services and activities</u>		
United Kingdom	167,415	135,572
The Netherlands	124,582	100,768
	<u>291,997</u>	<u>236,340</u>
<u>Government contracts</u>		
United Kingdom	-	-
The Netherlands	87,956	121,736
	<u>87,956</u>	<u>121,736</u>
	<u><u>461,935</u></u>	<u><u>446,238</u></u>

3. STAFF NUMBERS AND COSTS

	1999 £	1998 £
<u>Employee costs</u>		
Wages and salaries	185,313	182,612
Social security costs	21,925	21,662
Pension costs	9,075	9,832
Other staff costs	29,295	14,893
	<u>245,608</u>	<u>228,999</u>
Average number of employees during the year	<u>8</u>	<u>8</u>

NOTES (continued)**4. AUDITOR'S REMUNERATION**

The auditor's remuneration includes £6,000 (1998 - £5,004) for audit services and £ nil (1998 - £nil) for other services.

5. GENERAL COUNCIL MEMBERS' EMOLUMENTS

In respect of the year ended December 31, 1999 15 members of the General Council received no remuneration; emoluments between £30,001 - £40,000, including pension costs totalling £6,333 (1998 - £6,150), were paid to 2 members.

6. INTEREST RECEIVABLE

	1999 £	1998 £
Income from short-term deposits	<u>300</u>	<u>1,778</u>

7. TAXATION

	1999 £	1998 £
Corporation tax @ 20% (1998 - 21%) on taxable income	<u>60</u>	<u>575</u>

Subject to agreement of the 1999 tax computations the Chamber has tax losses carried forward to offset against future trading income of approximately £47,000.

8. TANGIBLE FIXED ASSETS

Cost	Office furniture and equipment £
At January 1, 1999	162,092
Additions	<u>3,003</u>
At December 31, 1999	<u>165,095</u>
<i>Depreciation</i>	
At January 1, 1999	145,757
Charge for the year	<u>5,722</u>
At December 31, 1999	<u>151,479</u>
<i>Net book value</i>	
At December 31, 1999	<u>13,616</u>
At December 31, 1998	<u>16,335</u>

NOTES (continued)**9. DEBTORS, amounts falling due within one year**

	1999 £	1998 £
	<u> </u>	<u> </u>
Trade debtors	30,442	32,765
Other debtors	2,944	3,329
Taxation	2,355	-
Prepayments and accrued income	80,192	14,248
	<u>115,933</u>	<u>50,342</u>

10. CREDITORS, amounts falling due within one year

	1999 £	1998 £
	<u> </u>	<u> </u>
Trade creditors	30,714	28,894
Taxation	-	947
Accruals and deferred income	138,824	115,190
	<u>169,538</u>	<u>145,031</u>

11. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	1999 £	1998 £
	<u> </u>	<u> </u>
(Deficit) / Surplus for the financial year	(47,650)	8,361
Opening members' funds	97,666	89,305
Closing members' funds	<u>50,014</u>	<u>97,666</u>

12. LEASING COMMITMENTS

The Chamber has commitments for yearly payments under building rental agreements and operating leases as follows:

		Yearly rental payments £
		<u> </u>
Expiring within:	1 year	-
	2-5 years	29,000
	over 5 years	-

NOTES (continued)**13. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW /(OUTFLOW) FROM OPERATING ACTIVITIES**

	<u>1999</u>	<u>1998</u>
	£	£
Operating (deficit) / surplus	(42,449)	3,162
Depreciation charge	5,722	5,658
(Increase) / Decrease in debtors	(65,591)	12,845
Increase in creditors (excl. corporation tax)	<u>24,846</u>	<u>12,878</u>
Net cash (outflow) / inflow from operating activities	<u>(77,472)</u>	<u>34,543</u>

14. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS

	<u>1999</u>	<u>1998</u>
	£	£
(Decrease) / Increase in cash in the year	(80,575)	30,613
Effect of foreign exchange rate changes	<u>(5,441)</u>	<u>3,996</u>
Net funds at the start of the year	(86,016)	34,609
	<u>176,020</u>	<u>141,411</u>
Net funds at the end of the year	<u>90,004</u>	<u>176,020</u>

15. RETIREMENT AND DEATH BENEFIT SCHEME

The most recent actuarial valuation of the retirement and death benefit scheme for staff employed in Britain was at January 1, 1996 and showed that the market value of the scheme's assets was £287,000 and that the actuarial value of those assets represented 146% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The contributions of the Chamber and employees are at 11.1% and 3.6% of earnings respectively as of January 1, 1999 (11.1% and 3.6% in 1998).

An actuarial valuation is conducted every three years. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments, the rate of increase in salaries, the number of withdrawals and replacements and the control period. It was assumed that the investment returns would be 8.75% per annum, that salary increases would average 8% per annum, that the number of withdrawals and replacements would be nil and that the control period would be 21 years.

The pension charge for the year amounted to £ 9,075 (1998: £9,832). There were outstanding contributions at December 31, 1999 of £ 25,164 (1998 £ 13,998).

NOTES *(continued)***16. RELATED PARTIES**

Services and activities expenditure include a commission charge for director's services not exceeding £4,000. These services are charged by *Interface Business Resource Ltd.* at arms length.

In the course of its normal activities the Chamber also provides services and goods to its members at arms length.
