



The Netherlands British Chamber of Commerce

Annual Report 2001

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:

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ENGLAND

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editorial, graphics, lay-out, typesetting, prepress and production
The Netherlands British Chamber of Commerce

Notice of Annual General Meeting

Hereby is given notice

that the **111th Annual General Meeting of
The Netherlands British Chamber of Commerce**
will be held at the offices of KPMG, Burg. Rijnderslaan 10, Reception B, Amstelveen,
The Netherlands, on September 4, 2002 at 16:50 hours,
followed by a reception for members and guests sponsored by the Partners of KPMG

AGENDA

1. to confirm the minutes of the 110th Annual General Meeting held on September 20, 2001 at the offices of ING UK in London, England (*DOC-1*)
2. to note the Auditors' report (*DOC-3, page 3*)
3. to receive and, if deemed appropriate, to adopt the Report of the General Council and the Financial Statements for the year ending December 31, 2001 (*DOC-2 & DOC-3*)
4. to note the resignation of *Jacques H Schraven (VNO-CNW)* as Vice-President and *Joop C Krenning (Clareville bv)* and *Floris J van Pallandt (KLM uk)* as members of the General Council to elect as members of the General Council, *Alan M Jones (LeBoeuf Lamb Greene & MacRae)*, *Michael J Cornish (Océ UK Ltd)*, *André A D King (A&A Associates)*, *Jan A de Kreij (DKR Advisors bv)* and *Philip H Paterson (Boekel de Nerée)*, who retire by rotation, all have offered themselves for re-election

to confirm the co-options of *Roel Huisman (DFDS Seaways bv)*, *Henk Lafèbre (Knott Holding bv)* and *Tony Le Masurier (KLM Royal Dutch Airlines)* as members of the General Council
5. to appoint two Patrons; *Their Excellencies Willem O baron Bentinck van Schoonheten (Netherlands Ambassador, London)* and *Sir Colin Budd KCMG (British Ambassador, Den Haag)* have offered to serve
6. to appoint a President, *Richard J A de Lange (Royal Philips Electronics)* and a Vice-President, *Robert B Brooke*; both have offered to serve
7. to appoint *Joop C Krenning* as a Vice-President for Life in recognition of rendering services and support of outstanding merit as Hon. Treasurer and member of the General Council;
8. to appoint *Mrs Catherine Bradley (British Embassy, Den Haag)* and *Henk W Swarttouw (Royal Netherlands Embassy, London)* as Hon. Observers at Council meetings
9. to appoint KPMG LLP as auditors for the current year
10. to transact any other business which may be dealt with at an Ordinary General Meeting

London, August 6, 2002

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

August 6, 2002

PATRONS

HE Willem O baron Bentinck van Schoonheten
HE Sir Colin Budd KCMG

Netherlands Ambassador, London †
British Ambassador, Den Haag †

PRESIDENT & VICE-PRESIDENTS

Richard J A de Lange *President* Royal Philips Electronics †
Robert B Brooke *Vice-President* †
Jacques H Schraven *Vice-President* (*retires September 4, 2002*) VNO - NCW †

OFFICERS OF THE GENERAL COUNCIL

Michael J Cornish *Chairman* OCÉ (UK) Ltd
Theo M M Gremmen *Chairman* Urenco Ltd
Alan M Jones *Hon. Secretary* LeBoeuf, Lamb, Greene & MacRae †
Joop C Krenning *Hon. Treasurer* (*retires September 4, 2002*) Clareville BV ¹ †

MEMBERS OF THE GENERAL COUNCIL

Richard C Greenhalgh Unilever
David Jordan Royal Philips Electronics
André A D King A & A Associates †
Jan A de Kreij DKR Advisors bv ††
Floris J van Pallandt (*retires September 4, 2002*) KLM uk
Philip H Paterson Boekel de Néree
John C Pollock Ernst & Young
Paul H A M Verhaegen Rotterdam Business School
vacancy Royal Dutch Shell
Ian E Wilson Corderoy International Ltd

Hon. Observer at Council meetings

Mrs Catherine Bradley British Embassy, Den Haag †
Henk W Swarttouw Netherlands Embassy, London †

AUDITORS

KPMG LLP 8 Salisbury Square, London EC4Y 8BB

† member executive committee

†† chairman executive committee

† no vote at meetings

¹ Mr Henk Lafèbre (Knott Holding bv) has been proposed to be co-opted onto The General Council and also is proposed by The General Council to take over as Hon. Treasurer on September 4, 2002, if elected.

Minutes 110th Annual General Meeting

The 110th ANNUAL GENERAL MEETING was held at the offices of ING Bank in London on September 20, 2001 at 16:45 hours.

ATTENDANCE:

20 members attended; additionally 15 valid proxies, representing 7 members in Britain and 8 members in The Netherlands, were received from members appointing the Hon. Secretary or others as their representative.

CHAIRMAN: Theo M M Gremmen

The chairman opened the 110th AGM at 16:45 hours, welcoming all present. He asked for a moment of silence as token of respect for those who perished in the September 11 attack on the New York World Trade Centre.

AGENDA:

1. To confirm the minutes of the 109th 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 Report of the General Council and the Financial Statements for the year ending December 31, 2000 (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, 2000 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 Richard Thomas of Salans Hertzfeld & Heilbronn seconded the proposal, which was unanimously carried by a show of hands.

4. to note the resignation of *Mrs Susanna Smart (Reed Elsevier)* and *Robert J W Walvis (Shell Int. Petr. Co. Ltd)* as members of the General Council

to elect as members of the General Council, *Alan M Jones (LeBoeuf Lamb Greene & MacRae)*, *André A D 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, all having offered themselves for re-election

to confirm the co-option of *John C Pollock (Ernst & Young)* as member of the General Council

to appoint *Mrs Catherine Bradley (British Embassy, Den Haag)* and *Henk W Swarttouw (Royal Netherlands Embassy, London)* as hon. observers at Council meetings

The chairman suggested a 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-option and appointment to the General Council. This was agreed upon and the chairman proposed the re-election, co-option and appointment of the persons nominated to the General Council.

Mr Anthony Brittain of Jordans Ltd seconded this proposal, which was unanimously carried by a show of hands.

5. to appoint two Patrons; *Their Excellencies Willem O baron Bentinck van Schoonheten (Netherlands Ambassador, London)* and *Colin Budd CMG (British Ambassador, Den Haag)* have offered to serve

The chairman proposed the appointment of Their Excellencies as Presidents. The proposal was seconded by Mrs Mariel Monk, Merricks Solicitors and was unanimously accepted by a show of hands.

6. to appoint a President, *Richard J A de Lange (Royal Philips Electronics)* and two Vice-Presidents, *Robert B Brooke (Int. Shakespeare Globe Centre Ltd)* and *Jacques H Schraven (VNO-CNW)*; all have offered to serve

The chairman proposed the appointment of the persons mentioned. The proposal was seconded by Mr Jos Vranken of the Netherlands Board Tourism and was unanimously accepted by a show of hands.

7. to appoint *William H Davidson* as a Vice-President for Life in recognition of rendering services of outstanding merit for over 25 years as a member of the General Council

The chairman mentioned that this appointment was supported by all members of the General Council and asked Mr Ian Wilson to introduce this agenda item, and propose Mr Davidson as Vice-President for Life. The chairman then seconded the proposal, which was unanimously accepted by a show of hands.

8. 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 Joop C Krenning of Clareville BV seconded the proposal which was unanimously carried by a show of hands.

9. 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 Andrew Wood of Howes Percival Solicitors proposed a vote of thanks to the Presidents, Vice-Presidents, the General Council and the staff of the Chamber for their dedicated work in promoting the members' interests. The proposal was seconded by Mr Duco Lodder of Ploum Lodder Princen Advocaten and unanimously accepted.

There was no other business.

The chairman thanked the directors of ING Bank for providing the excellent accommodation and for offering to sponsor the members' reception.

The chairman closed the meeting at 17:05 hours.

Report of the General Council

FINANCES

The year 2001 was the first year of the Chamber in its new format following the reorganisation and the conclusion of the Netherlands Government Delegated Task. It was encouraging that the NBCC has ended the year with a surplus of £7,500.

This has confirmed the General Council's decision, made at the end of 2000 to continue the Chamber's operations in a scaled down format, has been a judicious one.

The Chamber has kept its two offices in London and Amsterdam, thus ensuring that it has a prominent presence in both markets it serves.

MEMBERSHIP OF THE GENERAL COUNCIL

Their Excellencies the Netherlands Ambassador at London, His Excellency Willem O baron Bentinck van Schoonheten and Sir Colin Budd KCMG, the British Ambassador at Den Haag, were reappointed a Patron of the Chamber.

Richard J A de Lange was appointed President and Messrs Robert B Brooke and Jacques H Schraven as Vice-Presidents.

In recognition of rendering services of outstanding merit for over 25 years as a Council member and Chairman of the Scottish Advisory Committee William H Davidson was appointed a Vice-President for Life.

The Council is very grateful for their practical advice and assistance while holding office.

The following members who retired by rotation were re-elected to the Council: Alan M Jones (LeBoeuf Lamb Greene & MacRae), André A D King (A&A Associates), Jan A de Kreij (DKR Advisors bv), Joop C Krenning (Clareville BV), Philip H Paterson (Boekel de Nerée) and John C Pollock (Ernst & Young) who was co-opted during the year.

Mrs Catherine Bradley (British Embassy at Den Haag) and Henk W Swarttouw (Netherlands Embassy at London) were appointed as Hon. Observers at Council meetings.

NBCC PERSONNEL

The Chamber employed 6 full time and part-time staff during the course of 2001. To assist with various projects and with other activities freelance staff is hired in as required.

Four students from universities and business schools in The Netherlands were offered an internship in Amsterdam and London.

The Chamber runs its own 'Retirement & Death Benefits Scheme' for staff in the UK. As of the beginning of 2002 there are no longer members employed by the Chamber contributing to the scheme. Details of the scheme are given in note 15 of DOC-3 in this report.

SUPPLY OF INFORMATION

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

The total amount of general enquiries received was lower than in the previous year. The most likely cause is that many companies now use the Internet for simple information queries and plain address details.

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

To adjust to these market changes the Chamber has now developed and enhanced the range of dedicated services to match these changed requirements.

EVD EXPORT PROMOTIONAL ACTIVITIES

Following the reorganisation the Netherlands Government has decided to award the NBCC projects up to value of 27,000 (£16,875) in 2002 and 14,000 (£8,750) in 2003.

As in previous years, the NBCC was involved in various aspects of EVD export promotional programmes with marketing and appointment schemes in the United Kingdom.

The Chamber continued to recruit and execute projects under the PSB-subsidy umbrella ('Programma Starters Buitenland'), commissioned by local Chambers and trade associations in The Netherlands and financially supported by the EVD.

The scope of the PSB-programme is of particular interest to the NBCC as its in-house, as well as its immediate access to outside expertise, makes the NBCC well qualified to fulfil contracts under this scheme.

The scheme has recently been redefined and awaiting the introduction of the new scheme, acquisition for new projects was limited compared with previous years.

While a very limited amount of projects were carried out by the Chamber in 2001, it is expected that after the launch of the new scheme in October 2002 the revenues from this type of activities will increase again.

BUSINESS SERVICES

These services include secretarial office services, dedicated telephone answering, postbox, registered address and payroll processing facilities. Many of these services are used by Dutch companies when they start with their business in the UK.

The BTW and 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.

An increasing number of Dutch companies use the Chamber services for registering limited companies and branch offices in the UK.

Market research, partner searches and the provision of address lists continue to be highly valued services by both Dutch and British businessmen.

MEMBERSHIP & MARKETING PUBLICATIONS

The full colour business magazine of the Chamber 'inTouch' appeared four times in the year under review. New and updated publications were produced in both offices of the NBCC. The Chamber also acts as a distributor for outside publishers such as Thomson Directories. 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 Chamber was involved in the organisation of a number of trade missions, individual and collective appointment schemes, and seminars on trading with Britain and The Netherlands.

- In conjunction with Dorset Business Link the NBCC organised a trade clinic in Poole in February, which was attended by businessmen in the region with an interest in developing trade links with the Netherlands;
- In conjunction with the EVD, the Royal Netherlands Embassy in London and the trade association FME-CWM, the NBCC organised a seminar 'Selling to the UK Health Industry' in May;
- Assistance was offered by the NBCC to the International Cruise & Ferry Exhibition in London during May;
- In conjunction with the local Chambers of Commerce in Brabant and Limburg, the NBCC organised the second stage of a multi-sectoral trade mission to the UK in June;
- A one day fact finding trip for Dutch businessmen was organised to the IWEX exhibition in Birmingham in October;
- The international reputation of the NBCC in trade promotional activities was further enhanced when the Slovenian government commissioned the Chamber with the organisation of an official trade mission from Slovenia to The Netherlands in November;
- As in previous years, the Chamber offered specialised clinics on legal matters and human resources issues in conjunction with member companies Howes Percival of Norwich and Headstart of Amsterdam.

MEMBERS & NETWORK ACTIVITIES

In The Netherlands, the NBCC continued its activities as the secretariat of the overseas branch of the British Institute of Directors (IOD). As such, the office was involved in the organisation of a number of networking dinners and lunches with high profile speakers to which NBCC members also have access at highly preferential rates.

Speakers in the past year included Maarten van der Bergh, Lord Haskins and Lord Paul of Caparo. Also the IoD 'Dutch Budget Seminar' on 'Prinsjesdag' was, as in previous years, organised by the NBCC.

NBCC MEMBERSHIP

During the year overall membership was reduced on balance by 38. The main reasons for the reduction is the removal of members persistently delinquent in paying their fees, or for non-payment caused by bankruptcy and frequently by takeovers. The year ended with the membership at 313.

ANNUAL LUNCHEON & AWARDS PRESENTATION

The 110th annual luncheon with over 200 guests was held in November 2001 in IJmuiden on board the MV 'Prince of Scandinavia', one of the DFDS cruise ferries used on the daily IJmuiden-Newcastle crossing.

The principal speaker was Jacques H Schraven, President of the Netherlands employers federation VNO-NCW.

The XXth presentation of the Anglo-Dutch Awards for Enterprise with trophies, sponsored by ABN AMRO Bank, Royal Dutch/Shell, PinkRoccade and Royal Philips Electronics preceded the lunch.

As in previous years the Award scheme attracted again a good number of highly interesting entries.

ANNUAL GENERAL MEETING

The 110th Annual General Meeting was held at the offices of ING-Barings in London in September 2001. The meeting was followed by the traditional annual members' reception sponsored by the directors of ING London. The minutes of the AGM are given in doc-1.

OUTLOOK FOR 2002 AND 2003

The restructuring of the Chamber was finalised in early 2001. Albeit a fairly modest one, the Chamber reached a surplus of income over expenditure at the end of 2001.

With the recurring business from members, trade associations, the additional projects and its financing promised by the EVD and the Royal Netherlands Embassy for the period 2002-2003, the Council expects that the Chamber will be able to improve its financial position in the years to come.

THANKS

The General Council is grateful to all NBCC 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 EVD, the British Embassy at Den Haag and the Royal Netherlands Embassy in London for their support.

A very special thank you goes to the staff members who retired at the beginning of 2001 as a result of the restructuring, and who have, in different capacities, continued to play a valuable role in the Chamber as freelance and ad-hoc consultants.

Finally we pay tribute to all staff members for their loyalty and continuous efforts to promote members' interests throughout the year.

On behalf of The General Council,

Michael J CORNISH, chairman

Theo M M GREMMEN, chairman

The Netherlands British Chamber of Commerce

owns exclusive 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 London
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

The Anglo-Dutch Awards for Enterprise

'inTouch' Magazine
Anglo-Dutch Trade Bulletin
NBNews
The Netherlands British Trade Directory and Desk Diary
The NBCC Register of Members

Anglia-Netherlands Business Forum
Scottish-Netherlands Business Forum

'inTouch' Web Site
Netherlands-British Web Links



Donating Members

KLM uk
PinkRocade Ltd
Shell Nederland

Royal Philips Electronics
Shell Int. Petroleum Company Ltd
Unilever

Financial Statements

December 31, 2001

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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.

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

We have audited the financial statements in DOC-3, pages 4-11.

Respective responsibilities of the General Council and auditors.

As described on page 2 of DOC-3 the General Council is responsible for preparing the Report of the General Council and, as described on page 2 of Doc-3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. We also report to you if, in our opinion the Report of the General Council is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remunerations and transactions with the company is not disclosed.

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, 2001 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

London, August 6, 2002

Chartered Accountants

Registered Auditors

INCOME AND EXPENDITURE STATEMENT

for the year ending December 31

	Notes	2001 £	2000 £
INCOME			
Membership fees		70,523	78,497
Services and activities		183,039	251,954
Government contracts		18,678	32,853
Donations	2	-	58,000
		<u>272,240</u>	<u>421,304</u>
EXPENDITURE			
Staff costs	3	108,979	226,171
Office accommodation		21,294	56,730
Depreciation	8	4,275	5,272
Office running costs		46,028	45,198
Services and activities		66,767	87,988
Other	4	18,700	14,892
Re-organisation costs	3	-	18,745
		<u>(266,043)</u>	<u>(454,996)</u>
Operating surplus/(deficit) on continuing operations		6,197	(33,692)
Exchange profit/(loss)		1,267	(4,102)
Interest receivable	6	19	167
		<u>1,286</u>	<u>(3,935)</u>
Surplus/(Deficit) of income over expenditure before taxation		7,483	(37,627)
Taxation	7	33	(33)
		<u>33</u>	<u>(33)</u>
Surplus/(Deficit) of income over expenditure after taxation	11	7,516	(37,660)
		<u><u>7,516</u></u>	<u><u>(37,660)</u></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	2001 £	2000 £
FIXED ASSETS			
Tangible assets	8	4,756	9,031
CURRENT ASSETS			
Debtors	9	59,012	88,524
Cash at bank and in hand		42,581	41,164
		<u>101,593</u>	<u>129,688</u>
CREDITORS			
Amounts falling due within one year	10	<u>(86,479)</u>	<u>(126,365)</u>
NET CURRENT ASSETS		<u>15,114</u>	<u>3,323</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>19,870</u></u>	<u><u>12,354</u></u>
MEMBERS' FUNDS	11	<u><u>19,870</u></u>	<u><u>12,354</u></u>

These financial statements were approved by the General Council on August 6, 2002.

On behalf of the General Council,

Michael J CORNISH, Chairman
Theo M M GREMMEN, Chairman

Joop C KRENNING, Hon. Treasurer

CASH FLOW STATEMENT

for the year ending December 31

	Notes	2001 £	2000 £
		<u> </u>	<u> </u>
Net cash inflow/(outflow) from operating activities	13	131	(44,158)
Return on investments and servicing of finance			
Interest received		19	167
Taxation			
Corporation tax paid		-	(60)
Capital expenditure			
Payments to purchase tangible fixed assets		-	(687)
		<u> </u>	<u> </u>
Inflow/(Decrease) in cash	14	<u> 150</u>	<u> (44,738)</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, as per this financial year, in accordance with the Financial Reporting Standard for Small Entities (effective March 2000). The effect of the implementation of this Standard does not have any material impact on the members' funds and results for the year, nor the comparatives.

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 benefits 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.

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.

Donations

Donations are recognised when promised.

NOTES (continued)**2. ANALYSIS OF INCOME**

	2001 £	2000 £
<u>Membership fees</u>		
United Kingdom	28,773	32,494
The Netherlands	<u>41,750</u>	<u>46,003</u>
	70,523	78,497
<u>Services and activities</u>	183,039	251,954
<u>Government contracts</u>		
United Kingdom	-	-
The Netherlands	<u>18,678</u>	<u>32,853</u>
	18,678	32,853
Donations	-	<u>58,000</u>
	<u>272,240</u>	<u>421,304</u>

Donations

The donations refer to the total amount of donations by members to create a going concern basis for the company.

3. STAFF NUMBERS AND COSTS

	2001 £	2000 £
<u>Employee costs</u>		
Wages and salaries	93,952	184,544
Social security costs	9,675	23,187
Pension costs	583	9,505
Other staff costs	<u>4,769</u>	<u>8,935</u>
	<u>108,979</u>	<u>226,171</u>

Re-organisation costs

These costs refer to statutory redundancy payments paid to three members of staff made involuntary redundant from February 1, 2001 as part of the Chamber's re-organisation.

Average number of employees during the year	5	8
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4. OTHER

This item includes the auditor's remuneration of £7,700 (2000 - £6,000) for audit services and £ 11,000 (2000 - £1,646) for other services (pension fund 1997-2001).

5. GENERAL COUNCIL MEMBERS' EMOLUMENTS

In respect of the year ended December 31, 2001 none of the members of the General Council received any remuneration.

NOTES (continued)**6. INTEREST RECEIVABLE**

	2001 £	2000 £
Income from short-term deposits	<u>19</u>	<u>167</u>

7. TAXATION

	2001 £	2000 £
Corporation tax @ 20% on taxable income	<u>(33)</u>	<u>33</u>

There is no corporation tax payable for the years 2000 and 2001. The tax paid for 2000 is re-funded. Subject to agreement of the 2001 tax computations the Chamber has tax losses carried forward to offset against future trading income of approximately £59,000.

8. TANGIBLE FIXED ASSETS

	Office furniture and equipment £
<i>Cost</i>	
At January 1, 2001	28,785
Disposals and disused items	-
Additions	-
At December 31, 2001	<u>28,785</u>
<i>Depreciation</i>	
At January 1, 2001	19,754
Disposals and disused items	-
Charge for the year	4,275
At December 31, 2001	<u>24,029</u>
<i>Net book value</i>	
At December 31, 2001	<u>4,756</u>
At December 31, 2000	<u>9,031</u>

9. DEBTORS, amounts falling due within one year

	2001 £	2000 £
Trade debtors	41,652	22,482
Other debtors	-	2,786
Prepayments and accrued income	17,360	63,256
	<u>59,012</u>	<u>88,524</u>

NOTES (continued)**10. CREDITORS, amounts falling due within one year**

	2001 £	2000 £
Trade creditors	21,982	41,637
Taxation	4,012	935
Accruals and deferred income	<u>60,485</u>	<u>83,793</u>
	<u>86,479</u>	<u>126,365</u>

11. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2001 £	2000 £
Surplus/(Deficit) for the financial year	7,516	(37,660)
Opening members' funds	<u>12,354</u>	<u>50,014</u>
Closing members' funds	<u>19,870</u>	<u>12,354</u>

12. LEASING COMMITMENTS

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

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

Negotiations with the landlord have resulted in a rent holiday from December 25, 2000 onwards. The landlord has reserved the right however to recover the suspended rent should the funding and/or income of the Chamber be significantly increased and/or should a sub-tenant for (part) of the premises be found. As such circumstances have not occurred in 2001, nor in the period until the preparation of the financial statements for the year 2001, no rental expenditure for the year 2001 has been paid or has been accounted for in these financial statements.

In case circumstances change in the future the Chamber may be liable for rental expenditure for the year 2001 to the amount of £29,000.

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

	2001	2000
	<u>£</u>	<u>£</u>
Operating surplus/(deficit)	6,197	(33,692)
Depreciation charge	4,275	5,272
Decrease / (Increase) in debtors	29,512	27,409
(Decrease) / Increase in creditors (excl. corporation tax)	<u>(39,853)</u>	<u>(43,147)</u>
Net cash inflow/(outflow) from operating activities	<u>131</u>	<u>(44,158)</u>

14. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS

	2001	2000
	<u>£</u>	<u>£</u>
Increase/(Decrease) in cash in the year	150	(44,738)
Effect of foreign exchange rate changes	<u>1,267</u>	<u>(4,102)</u>
	1,417	(48,840)
Net funds at the start of the year	<u>41,164</u>	<u>90,004</u>
Net funds at the end of the year	<u>42,581</u>	<u>41,164</u>

15. RETIREMENT AND DEATH BENEFITS SCHEME

The most recent actuarial valuation of the retirement and death funded benefit scheme for staff employed in Britain was at January 1, 1999 and showed that the market value of the scheme's assets was £418,000 and that the actuarial value of those assets represented 107.6% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The valuation as per December 31, 2001 is under way.

The overall contributions payable to the scheme as of January 1, 1997 are at 11.1% of earnings, being made up of 3.6% employee contributions and 7.5% employer's contribution.

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% per annum and that salary increases would average 6.5% per annum.

The pension charge for the year amounted to £583 (2000: £9,505). There were no outstanding contributions at December 31, 2001 (2000 £ nil).