



The Netherlands British Chamber of Commerce

Annual Report 2004

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

‘Oxford House’
NZ Voorburgwal 328L
1012RW Amsterdam
THE NETHERLANDS

tel: 020 - 421 7040, fax: 020 - 421 7003

email: info@nbcc.co.uk
web site: www.nbcc.co.uk



registered office:

'Imperial House'
15-19 Kingsway
London WC2B 6UN
ENGLAND

tel: 020 - 7539 7960, fax: 020 - 78 36 69 88

email: info@nbcc.co.uk
web site: www.nbcc.co.uk

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lay-out, typesetting, prepress and production by **abspm**
for The Netherlands British Chamber of Commerce

Notice of Annual General Meeting

Hereby is given notice

that the **114th Annual General Meeting** of
The Netherlands British Chamber of Commerce
will be held on June 22, 2005 at 16:45 hours
at the ABN AMRO, 250 Bishopsgate, London EC2, England
The meeting is followed by the Annual Reception for Members and Guests,
sponsored by the Directors of ABN AMRO.

AGENDA

1. to confirm the minutes of the 113th Annual General Meeting (DOC-1) held on October 6, 2004 at the The Heineken Experience in Amsterdam, The Netherlands
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, 2004 (*DOC-2 & DOC-3*)
4. to note the resignations of *Richard J A de Lange (Kon.Philips Electronics)* as President of the NBCC and *Theo M Gremmen (Urenco Ltd)* as member of the General Council
to elect as members of the General Council; *Michael J Cornish (The Sea Cadets)*, *Alan M Jones (LXL)*, *Philip H Paterson (Boekel de Nerée)* who retire by rotation; all have offered themselves for re-election;
to elect as members of the General Council: *Stuart Garwood (MPI Ltd.)* and *Jos Vranken (NBTC)* have offered to serve
5. to appoint two Patrons; *Their Excellencies Sir Colin Budd KCMG (British Ambassador, Den Haag)* and *Jan Graaf de Marchant et d'Ansembourg (Netherlands Ambassador, London)* have offered to serve
6. to appoint *Neil Brigden (British Embassy, Den Haag)* and *Henk W Swarttouw (Royal Netherlands Embassy, London)* as an Hon. Observers at General Council meetings
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, May 31, 2005

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

May 31, 2005

PATRONS

HE Sir Colin Budd KCMG

HE Jan Graaf de Marchant et d'Ansembourg

British Ambassador, Den Haag •
Netherlands Ambassador, London •

PRESIDENT & VICE-PRESIDENTS

Richard J A de Lange *President* (retires June 22, 2005)

William H Davidson *Vice-President for Life*

Joop C Krenning *Vice-President for Life*

Kon. Philips Electronics •

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OFFICERS OF THE GENERAL COUNCIL

Michael J Cornish *Chairman*

Theo M M Gremmen *Chairman* (retires June 22, 2005)

Alan M Jones *Hon. Secretary*

Henk Lafèbre *Hon. Treasurer*

The Sea Cadets

LXL

Knott Holding bv

MEMBERS OF THE GENERAL COUNCIL

Roel Huisman

Vincent Knoops

Jan A de Kreij

Rob Marijnen

Philip H Paterson

DFDS Seaways bv

KLM Royal Dutch Airlines

DKR Advisors bv

Heineken UK Ltd

Boekel de Nèree

Hon. Observer at Council meetings

Neil Brigden

Henk W Swarttouw

(invited October 6, 2004)

British Embassy, Den Haag •
Netherlands Embassy, London •

AUDITORS

BDO Stoy Hayward LLP

8 Baker Street, London, W1U 3LL

• no voting rights at meetings

Minutes 113th Annual General Meeting

The 113th ANNUAL GENERAL MEETING was held at the 'The Heineken Experience' in Amsterdam October 6, 2004 at 16:45 hours.

ATTENDANCE:

24 members attended; additionally 13 valid proxies, representing 2 members in Britain, 10 in The Netherlands and 1 in France, were received from members appointing the Hon. Secretary or others as their representative.

CHAIRMAN: Theo M M Gremmen

AGENDA:

1. To confirm the minutes of the 112th annual general meeting

The minutes of the 112th 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 auditors whether there were any further comments concerning the auditor's report (DOC-3, page: 3). The auditors 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, 2003 (*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 Report of the General Council and the Financial Statements for the year ending December 31, 2003 and asked whether any member present had questions about the report or the accounts.

There being no questions the chairman proposed they be adopted. Mr Joop C Krenning of Clareville BV seconded the proposal, which was unanimously carried by a show of hands.

4. to note the resignation of *David Jordan CBE (Philips Electronics UK)*, *Tony Le Mesurier (KLM Royal Dutch Airlines)*, *André A D King (A & A Associates)*, *Jan A de Kreij (DKR Advisors bv)* and *John Pollock (Ernst & Young)*, as members of the General Council

to elect as members of the General Council; *Michael J Cornish (The Sea Cadets)*, *Theo M Gremmen (Urenco ltd)*, *Alan M Jones (LXL)*, *Philip H Paterson (Boekel de Nerée)* who retire by rotation; all have offered themselves for re-election

to confirm the co-options of *Vincent Knoops (KLM Royal Dutch Airlines)* and *Rob Marijnen (Heineken UK Ltd)* as members of the General Council

The Chairman informed the meeting that since the publication of the agenda Jan A de Kreij had informed the Council that he had withdrawn his resignation and wishes to remain a member of the General Council.

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, to remove Mr De Kreij's name from the list of resignations and to include the confirmation of the co-options onto the General Council. This was agreed upon and the chairman proposed the re-election and confirmation of the co-opted persons onto the General Council.

Mr Ludo Segers of Advantage West-Midlands seconded this proposal, which was unanimously carried by a show of hands.

5. to appoint two Patrons; *Their Excellencies Sir Colin Budd KCMG (British Ambassador, Den Haag)* and *Jan Graaf de Marchant et d'Ansembourg (Netherlands Ambassador, London)* have offered to serve

The chairman proposed the appointment of Their Excellencies as Patrons. This was seconded by Mr Philip Paterson of Boekel de Nerée and was 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 Mr Stuart Garwood of MPI Ltd and was unanimously accepted by a show of hands.

7. to appoint *Henk W Swarttouw (Royal Netherlands Embassy, London)* as Hon. Observers at Council meetings

The chairman proposed the appointment of tMr Swarttouw. This was seconded by Mr M Pim Kodde of Lloyds TSB Bank and was unanimously accepted by a show of hands.

9. To appoint Auditors for the current year.

The chairman proposed to delegate the appointment of the auditors to hold office until the next Annual General Meeting at which accounts are laid before the Chamber to the Executive Committee and to delegate to the Executive Committee to fix their fee for the current year.

Mr Joost Van Dam of NEC 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 Andrew Wood of Howes Percival proposed a vote of thanks to the Patrons, President, 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 B Kasteleijn of Van Mens & Wisselink and unanimously accepted.

There was no other business.

The chairman thanked the directors of Heineken 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 NBCC has ended the year 2004 with a surplus of income over expenditure of £ 18,886 (2003: £15,167)

The year 2004 was the first year after the complete phase-out of the Dutch government financial support scheme, which was implemented in 2001 in order to reduce the negative financial implications of the termination of the so-called “delegated task”-contract.

It is therefore encouraging to conclude that the NBCC has managed to maintain its position in the market since, and that the targets as set by the General Council in 2000, following the reorganisation, are being met. The financial results for the last four years have improved the NBCC financial position significantly.

MEMBERSHIP OF THE GENERAL COUNCIL

At the last Annual General Meeting which was held on October 6, 2004 Their Excellencies the Netherlands Ambassador at London, Jan Graaf de Marchant et d’Ansembourg, and Sir Colin Budd KCMG, the British Ambassador at Den Haag, were re-appointed as Patrons of the NBCC. Richard J.A. de Lange was re-appointed as President.

The following members, who retired by rotation, were re-elected to the Council: Michael J. Cornish (The Sea Cadets), Theo M. Gremmen (Urenco Ltd.), Alan Jones (LXL) and Philip H. Paterson (Boekel de Nerée).

Vincent Knoops (KLM Royal Dutch Airlines) and Rob Marijnen (Heineken UK Ltd.) were elected as members of the General Council. Mr Henk Swarttouw was appointed as an Hon. Observer at General Council Meetings.

The following people resigned as members of the General Council: David Jordan CBE (Philips Electronics UK), Tony LeMesurier (KLM Royal Dutch Airlines), André A. King (A & A Associates) and John Pollock (Ernst & Young).

The NBCC is grateful for their support during the years that they served on the Council.

NBCC PERSONNEL

The NBCC employed 4 full-time and two part-time staff during the course of 2004. To assist with various projects and with other activities, freelance staff was hired in as and when required. Two students from business schools in The Netherlands were given an internship in the office in Amsterdam.

Following the retirement of two members of staff, who each worked for the NBCC for more than 25 years, a new business development manager, Jochem Geheuij, was appointed at the London office.

His appointment will enable the NBCC to develop more business activities in the United Kingdom, whilst giving the organisation extra capacity for successfully organising Dutch trade promotional events in the UK market.

The NBCC runs its own ‘Retirement and Death Benefits Scheme’ for eligible staff in the UK.

As of the beginning of 2001 there are no longer members employed by the NBCC contributing to the scheme.

Details of the scheme are given in note 14 of Doc-3 of this report

MEMBERSHIP

Despite the recruitment of some 35 new members in The Netherlands and the United Kingdom, the trend of the last years concerning membership numbers has continued to be negative.

The NBCC is working hard on schemes to be implemented to reverse this trend.

Membership income amounted to £ 56,000 (2003 £ 63,000).

TRADE PROMOTIONAL ACTIVITIES

2004 was a particularly busy year for trade promotional activities. The NBCC was involved in the organisation and execution of four large trade missions from The Netherlands to the UK.

- In February, the NBCC organised the 2nd stage of a multi sectoral trade mission to the UK on behalf of the Chambers of Commerce in the North of The Netherlands.

The trade mission consisted of 20 company representatives who visited British prospective business partners through a scheme of pre-arranged appointments. Both the itinerary preparation and all the logistical arrangements were made by the NBCC;

- Another multi-sectoral trade mission was commissioned to the NBCC by the Netherlands Agency for Co-operation and Development (EVD). This project consisted of a visit to the UK market by 25 Dutch company representatives in June 2004.

No less than 100 appointments were secured for the Dutch delegates for their three-day visit to the UK market, which included a well-attended trade reception hosted by the Netherlands Ambassador at London.

- The traditional bi-annual trade mission for Dutch suppliers to the oil and gas sector was organised together with EVD and IRO, the Dutch trade association for suppliers to the oil and gas industry, in September 2004.

The NBCC made arrangements for the 25 delegates to meet collectively with key oil and gas industry players such as AMEC, BP, Total, Shell Expro and AkerKvaerner. Individually tailored meetings were also confirmed with pre-selected potential business partners.

- A market, which is considered to be extremely difficult to penetrate, is the British clothing retail market. For this reason, the EVD and trade association Modint invited NBCC to organise trade visit to decision makers in the British fashion retail sector.

The NBCC arranged a three-day visit for 12 Dutch clothing company representatives, which included meetings with senior buyers of Top Shop, Moss Bros and Peter Jones in October 2004.

The trade promotional activities generated an income of £ 108,000 (2003 £ 84,000)

MEMBERS AND NETWORK ACTIVITIES

Annual Luncheon and

Anglo-Dutch Awards for Enterprise

The 113th Annual Luncheon, which was attended by some 175 members and their guests, was held in November at the Institute of Directors in London. The principal speaker and presenter of the Anglo-Dutch Awards for Enterprise was the Chairman & CEO of Heineken NV Mr Thony Ruys.

The XXIII presentation of the trophies of the Anglo-Dutch Awards for Enterprise to the three winners followed the lunch. The winners were NedRailways, Van Oord UK Ltd. and VDM Foods BV.

ABNAMRO and Heineken UK were the principal sponsors for the event with KLM Royal Dutch Airlines appointed the official carrier.

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

Golf days

Golf days for members were organised in both The Netherlands and the United Kingdom, attracting a large number of members and their guests. The NBCC is grateful to its corporate golf event sponsors BP (in The Netherlands) and KLM Royal Dutch Airlines (in the UK) for their continued support at these events.

Institute of Directors

In The Netherlands the NBCC continued its activities as the overseas branch of the British Institute of Directors (IoD).

In this capacity the Amsterdam office was involved in the organisation of a number of luncheons and dinners with high profile speaker from the international business world. NBCC members have access to these events at highly preferential rates.

Speakers in the past year included Mr Hans Wijers, Chairman of Akzo-Nobel NV, Mr Hans de Boer, former Chairman of MKB-Nederland, Lord Levene, Chairman of Lloyds Plc. and Mr Jacques Schraven, Chairman of VNO-NCW.

Other events

In The Netherlands, the NBCC assisted Advantage West Midlands with the organisation of a promotional networking event, held in the Concertgebouw, Amsterdam.

This event coincided with the British Week and included a concert by the *Birmingham Symphony Orchestra and Chorus*, directed by Mr Sakari Oramo, performing Elgar's masterpiece 'The Dream of Gerontius'.

BUSINESS SERVICES

Our growing business services include amongst others, secretarial office services, dedicated telephone answering, provision of post-box services and registered office address and payroll processing facilities.

Dutch and British companies use many of these services when they start with their overseas business. The BTW and VAT reclaim and registration services, the translation service and the electronic company reporting service, continue to be popular. In addition to providing filed details of companies, the NBCC also offers credit checks. An increasing number of Dutch and British companies use the NBCC services to set up limited companies and branch offices in the UK and The Netherlands.

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

As in previous years, NBCC staff delivered a number of briefings on 'How to do business' (including cultural aspects) in The Netherlands and the United Kingdom.

Also specialised clinics on legal matters in doing business in the UK were organised.

The revenue from business services amounted to £ 81,811 (2003 £ 81,800)

MEMBERSHIP AND MARKETING PUBLICATIONS

4 issues of InTouch were published in 2004. The recent decision to dedicate each issue of InTouch to a specific topic proved to be a success, judged on comments received from readers as with regard to advertising revenue.

New and updated publications and databases were produced, including the traditional titles as 'Britain in The Netherlands', 'Dutch owned companies in the United Kingdom' and the Annual NBCC Members Directory 2004.

The NBCC is also a distributor for outside publishers such as Thomson Directories and MarketingFile.com. This has proved to be a very fruitful addition to the NBCC's range of products and services.

Income from these activities was £15,035 (2003 £ 6,318). Membership income amounted to £ 56,000 (2003 £ 63,000)

ANNUAL GENERAL MEETING

The 113th Annual General Meeting was held in Amsterdam at The Heineken Experience on October 6, 2004. The meeting was followed by a well-attended traditional members' reception this year sponsored by Heineken NV.

The minutes of the 113th AGM are published in Doc-1 in this report.

OUTLOOK FOR 2005

With an increasing flow of income from existing and new clients, trade promotional organisations, both the British and Dutch governments, the General Council expects that the NBCC will not only continue to trade profitably in the year to come, but will also further enhance the commercial links between the two countries it serves and continue to be a useful vehicle to service its members interests as well as the wider Anglo-Dutch business community

ACKNOWLEDGEMENTS

The General Council is grateful to all NBCC members for their assistance in a wide variety of formats throughout the year.

Furthermore the General Council would like to express its special thanks to the Patrons and the staff at the Royal Netherlands Embassy at London, the EVD and the British Embassy at Den Haag for their continued support.

A special thanks goes to all staff of the NBCC for their professionalism, loyalty and continuous efforts to promote the members' and the NBCC's commercial interests throughout the year.

On behalf of The General Council,

Michael J CORNISH, chairman

Theo M M GREMMEN, chairman

London, June 20, 2005

The Netherlands British Chamber of Commerce

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

The Netherlands British Chamber of Commerce

De Nederlands-Britse Kamer van Koophandel

The Anglo-Dutch Awards for Enterprise

'In Touch' Magazine

NBCC Web site 'inTouch'



Donating Members

Royal Philips Electronics

Unilever



Corporate Sponsors

The Anglo-Dutch Awards of Enterprise

ABN AMRO

Heineken UK



Golf Days for Members

Exact International

KLM Royal Dutch Airlines

Financial Statements

December 31, 2004

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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.

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

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

We have audited the financial statements of The Netherlands British Chamber of Commerce for the year ended December 31, 2004 in DOC-3 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of the General Council and auditors.

The General Council's responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards are set out in the Statement of the General Council's responsibilities on page 2 of Doc-3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 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 General Council members' remuneration and transactions with the company is not disclosed.

We read the Report of the General Council and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely on the report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified Opinion arising from the omission of Retirement Benefits Information

As explained in note 13 the financial statements do not disclose the information required by Financial Reporting Standard 17 'Retirement benefits'.

Except for the omission of certain information about retirement benefits, in our opinion the financial statements give a true and fair view of the state of affairs of the Chamber as at December 31, 2004 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward LLP

*Chartered Accountants
and Registered Auditors*

London, June 20, 2005

INCOME AND EXPENDITURE STATEMENT

for the year ending December 31

	Notes	2004 £	2003 £
INCOME	2		
Membership fees		55,631	63,113
Services and activities		240,858	184,169
Government contracts		-	13,226
		<u>296,489</u>	<u>260,508</u>
EXPENDITURE			
Staff costs	3	115,137	123,096
Office accommodation		28,139	25,513
Depreciation	6	2,225	838
Other costs	4	37,304	36,648
Services and activities		<u>94,798</u>	<u>59,246</u>
		<u>(277,603)</u>	<u>(245,341)</u>
Surplus of income over expenditure before and after taxation		<u>18,886</u>	<u>15,167</u>

All amounts relate to continuing activities

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ending December 31

	Notes	2004 £	2003 £
Surplus on ordinary activities after taxation		18,886	15,167
Currency translation differences	1	<u>4,948</u>	<u>1,015</u>
Total recognised gains and losses for the financial year		<u><u>23,834</u></u>	<u><u>16,182</u></u>

The notes on pages 7 to 11 form part of these financial statements.

BALANCE SHEET

as at December 31

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible fixed assets	6	5,435	6,168
CURRENT ASSETS			
Debtors	7	46,389	60,228
Cash at bank and in hand		158,887	76,999
		<u>205,276</u>	<u>137,227</u>
CREDITORS			
Amounts falling due within one year	8	141,385	97,903
NET CURRENT ASSETS		<u>63,891</u>	<u>39,324</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>69,326</u></u>	<u><u>45,492</u></u>
MEMBERS' FUNDS	9	<u><u>69,326</u></u>	<u><u>45,492</u></u>

These financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the General Council on June 20, 2005.

On behalf of the General Council,

Michael J CORNISH, Chairman

Henk LAFÈBRE, Hon. Treasurer

Theo M M GREMMEN, Chairman

The notes on pages 7 to 11 form part of these financial statements.

CASH FLOW STATEMENT

for the year ending December 31

	Notes	2004 £	2003 £
		<u> </u>	<u> </u>
Net cash inflow from operating activities	11	78,432	29,867
Capital expenditure	6		
Payments to acquire tangible fixed assets		(1,492)	(5,384)
		<u> </u>	<u> </u>
Increase in cash	12	<u>76,940</u>	<u>24,483</u>

The notes on pages 7 to 11 form part of these financial statements.

NOTES *(forming part of the financial statements)***1. ACCOUNTING POLICIES***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 the Financial Reporting Standard for Small Entities.

As an undertaking not trading for profit, the General Council have used the reference income and expenditure statement rather than profit and loss account as permitted by Section 262 of the Companies Act 1985 and adapted the headings in the income and expenditure account accordingly.

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 fittings	5 years
Computer Equipment	3 years

Deferred Taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the Chamber anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. 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 accounted for in Members' Funds.

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.

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

	2004 £	2003 £
<u>Membership fees</u>		
United Kingdom	20,274	21,456
The Netherlands	35,357	41,657
	<u>55,631</u>	<u>63,113</u>
<u>Services and activities</u>	240,858	184,169
<u>Government contracts</u>		
United Kingdom	-	-
The Netherlands	-	13,226
	<u>-</u>	<u>13,226</u>
	<u>296,489</u>	<u>260,508</u>

Government contracts refer to specifically agreed contracts as part of the phase-out of the so-called delegated task. The year 2003 was the last year of this phase-out.

3. STAFF NUMBERS AND COSTS

	2004 £	2003 £
<u>Employee costs</u>		
Wages and salaries	92,340	104,443
Sickness Benefit	(-)	(668)
Social security costs	14,615	12,961
Other staff costs	8,182	6,360
	<u>115,137</u>	<u>123,096</u>

The average number of employees during the year was 5 (2003 - 5).

4. OTHER COSTS

This item includes the auditors' remuneration of £6,750 (2003 - £5,250) for audit services and £1,750 (2003 - £1,750) for services to the pension fund. Operating lease rentals amounted to £1,829 (2003: £1,829).

5. GENERAL COUNCIL MEMBERS' EMOLUMENTS

In respect of the year ended December 31, 2004 none of the members of the General Council received any remuneration (2003: £nil).

NOTES (continued)**6. TANGIBLE FIXED ASSETS**

	Office furniture, fittings and computer equipment £
<i>Cost</i>	
At January 1, 2004	7,379
Additions	<u>1,492</u>
At December 31, 2004	<u>8,871</u>
<i>Depreciation</i>	
At January 1, 2004	1,211
Charge for the year	2,225
Other movements	-
At December 31, 2004	<u>3,436</u>
<i>Net book value</i>	
At December 31, 2004	<u>5,435</u>
At December 31, 2003	<u>6,168</u>

7. DEBTORS, amounts falling due within one year

	2004 £	2003 £
Trade debtors	28,084	19,532
Other debtors	5,479	7,069
Prepayments and accrued income	12,826	24,667
VAT receivable	-	8,960
	<u>46,389</u>	<u>60,228</u>

8. CREDITORS, amounts falling due within one year

	2004 £	2003 £
Trade creditors	50,304	30,161
Other creditors	30,751	-
Taxation and social security	5,546	3,056
Accruals, deferred income and other amounts payable	54,784	64,686
	<u>141,385</u>	<u>97,903</u>

NOTES (continued)**9. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS**

	2004	2003
	£	£
Surplus for the financial year	18,886	15,167
Currency translation differences	4,948	1,015
Opening members' funds	45,492	29,310
Closing members' funds	<u>69,326</u>	<u>45,492</u>

10. LEASING COMMITMENTS

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

Expiring within:	2-5 years	Yearly rental payments £
		<u>27,566</u>

The yearly rental commitments for the offices are included in the above table.

11. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2004	2003
	£	£
Operating surplus	18,886	15,167
Depreciation charge and other movements	2,225	864
Decrease / (Increase) in debtors	13,839	(10,454)
Increase in creditors	43,482	24,290
Net cash inflow from operating activities	<u>78,432</u>	<u>29,867</u>

12. ANALYSIS OF NET FUNDS

	At January 1 2004		At December 31 2004
	opening balance £	cashflow £	exchange movement £
	£	£	£
Cash at bank and in hand	76,999	76,940	158,887

13. RETIREMENT AND DEATH BENEFITS SCHEME

The most recent actuarial valuation of the retirement and death benefits scheme for staff employed in Britain was at January 1, 2002 and showed that the value placed on the scheme's assets was £544,900 and that the actuarial value of those assets represented 129.7% of the benefits that had accrued to members, after allowing for expected future increases in pensions.

As at the valuation date there were no active members in the scheme.

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 pensions, the number of withdrawals and replacements and the control period.

It was assumed that the investment returns would be 8% per annum and that increases to payments in pensions would average 4% - 4.5% per annum.

The pension charge for the year amounted to £ nil (2003: £nil). There were no outstanding contributions at December 31, 2004 (2003 £nil).

The actuarial valuation at January 1, 2005 has commenced. At the date of signing of these financial statements the valuation had not been completed. The General Council consider it appropriate to continue using the valuation carried out at January 1, 2002.

FRS 17 disclosures

The Chamber is required to comply with FRS 17 for the year ended December 31, 2004. However in the opinion of the General Council, the expense involved in obtaining the information to enable these disclosures to be made cannot be justified. Therefore the information required by FRS 17 has not been disclosed in the financial statements.

Summary Income and Expenditure Statements

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Income										
Membership fees	55,631	63,113	60,153	70,523	78,497	81,982	88,162	101,685	115,872	124,108
Services and activities	240,858	184,169	171,384	183,039	251,954	291,997	236,340	193,425	175,338	150,838
Government contracts		13,226	17,017	18,678	32,853	87,956	121,736	130,858	156,895	166,780
Donations					58,000					
	296,489	260,508	248,554	272,240	421,304	461,935	446,238	425,968	448,105	441,726
Expenditure										
Staff costs	115,137	123,096	97,116	108,979	226,171	245,608	228,999	222,795	205,803	225,629
Office accommodation	28,139	25,513	31,461	21,294	56,730	53,107	50,546	50,218	78,970	65,172
Depreciation	2,225	838	5,136	4,275	5,272	5,722	5,658	5,582	6,333	6,973
Other costs	37,304	36,648	44,481	64,728	60,090	64,034	63,250	66,647	56,115	71,314
Services and activities	94,798	59,246	64,426	66,767	87,988	135,913	94,623	76,158	85,469	61,626
Re-organisation costs					18,745					
	277,603	245,341	242,620	266,043	454,996	504,384	443,076	421,400	432,690	430,714
Operating result on continuing operations	18,886	15,167	5,934	6,197	-33,692	-42,449	3,162	4,568	15,415	11,012

This page does not form part of the financial statements