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

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	opening balance £	cashflow £	exchange movement £	At December 31 2004	closing balance £
Cash at bank and in hand	76,999	76,940	4,948	158,887	<u>76,999</u>	<u>158,887</u>

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