

Company Registration No. 4183431 (England and Wales)

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

COMPANY INFORMATION

Directors	D A Roberts J M Cunningham G M Layer J M Woolvin A S J Bond C Crane A Allibhai D E Owen A B Williams S Moorhouse	(Appointed 1 May 2018) (Appointed 19 November 2018)
Secretary	L Taylor	
Company number	4183431	
Registered office	Creative Industries Centre Wolverhampton Science Park Glaisher Drive Wolverhampton WV10 9TG	
Auditor	CK Audit No 4 Castle Court 2 Castlegate Way Dudley West Midlands DY1 4RH	
Business address	Creative Industries Centre Wolverhampton Science Park Glaisher Drive Wolverhampton WV10 9TG	

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

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BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities

The Black Country Chamber exists to help its member businesses grow. We do this by bringing businesses together, helping them find new customers, explore new ways of working and make sure the right people know when they are being held back or they are doing something amazing.

The Chamber now employs 29 members of staff that offer a range of services to businesses – from Export Documents, Trade Support, account management, events, awards, training and lots of networking opportunities. Most of these staff are employed permanently through general funds, but we also have a contract with Department of International Trade (DIT), the Careers Enterprise Company and the University of Wolverhampton/Unsung Hero to offer bespoke support services. We work in partnership with the other 5 Chambers of Commerce across the West Midlands to deliver the DIT contract through an LLP and at a policy level we work closely with Greater Birmingham & Solihull and Coventry and Warwickshire Chambers on Combined Authority and Elected Mayoral activity.

We believe in the strength and brilliance of the Black Country and we support all those groups that are striving to make the area even better. We are a strategic partner on a wide range of local groups including the Black Country Growth Hub, Sandwell Business Ambassadors, Dudley Business Champions, LEPs Competitiveness Board, University of Wolverhampton Business School's Advisory Board, WMCA Mayors Business Advisory Group and Brexit Advisory Group.

We are governed by a board of 10 directors who, except for the CEO, President and Vice President, serve a maximum of two 4-year terms with 2 directors standing for re-election at the annual AGM. We have an active Consultative Forum that support the CEO on policy development and key campaigns.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D A Roberts	
J M Cunningham	
G M Layer	
J M Woolvin	
A S J Bond	
S H Carvill	(Resigned 19 November 2018)
C Crane	
A Allibhai	
D E Owen	
A B Williams	(Appointed 1 May 2018)
S Moorhouse	(Appointed 19 November 2018)

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Results and dividends

Financial outturn 2018/ 19:

The financial outturn from the year was negative, with a deficit of £136,150 before taxation, decreasing the balance sheet reserves to £1,301,113.

The losses for 2018/ 19 were budgeted and drew from our healthy reserves and they represented a major re-investment into the business to complete the final stages of a process of modernisation. The outcomes of this re-investment were wide ranging and already starting to show benefits:

- A major restructure took place focused on the delivery of our new business plan, the establishment of a new Senior Management Team and a new pay structure to ensure all staff were paid similar wages for similar roles.
- Investment in new CRM system and website to ensure the management of our member data was modern, efficient and GDPR compliant.
- A major investment in the first Black Country Business Festival to help raise the profile of local businesses and establish the Black Country Chamber as the central business support agency in the region
- A partnership with the Careers Enterprise Company (CEC) to jointly fund a post to work with businesses, schools and establish the Young Chamber to address workplace skills being the number one issue for local businesses
- Completion of a 12-month piece of work to write a Chamber Digital Strategy with the University of Wolverhampton with the subsequent recruitment of a new Digital Graduate role and a new PR position.
- The completion of a membership price restructure based on a telephone survey of members. This model focused on a more sustainable proposition that would see some price increases and potential number of members loss in 2018/ 19 but an increase in overall membership revenue from 2019/ 20 onwards
- In order to strengthen our governance processes and our policy work we separated our Chair and President roles in May 18 and advertised outside the board for a paid Chair position

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Future developments

Over the next three years, the Chamber will focus on six high level goals that will increase membership, profile and commercial revenue. These are:

Goal 1 To grow Chamber numbers year on year in both paid and digital memberships and ensure a high level of member retention.

We will launch a wide range of Sectoral Focused Memberships including Visit Black Country, Future Link, Start Up Business Club, a new Schools offer and a fresh approach to our work with Charities and the Third Sector. We expect to increase our membership numbers in all our existing packages, but this plan is based primarily on growth in our higher levels of Memberships. Our focus won't be purely on recruitment, businesses will need to see the value of our offer and not be pressured into membership, so our aim is to have some of the best retention rates in the country. Many members, especially those smaller businesses, join us to increase the number of business to business leads they get, so we will be launching a range of networking clubs that will run regularly and be delivered across the Black Country. We appreciate that not all local businesses will want to join full membership but may still want to be kept up to date on our work, may want to sponsor individual events or use some of our commercial products. On this basis we will look to grow our digital membership numbers and deliver our Digital Strategy to make sure we communicate quickly and to the right people in whatever is the best route.

Goal 2 To make the chamber financially sustainable and develop a range of services and commercial opportunities based on local business needs.

We now have a financial model that should run at a surplus, but that does not depend on government or external grants to do this. We will still seek to bid for and run **externally funded** programmes, but they will be run as standalone projects.

The increase in our brand awareness and profile has meant that we have been able to confidently develop several Sponsorship and Partnership Opportunities that will help fund our campaigns and events. We will also add to our portfolio of commercial products with support or services that are business focused. We will launch a new prospectus for businesses to access our new **training offer**.

Goal 3 To put businesses at the heart of our Chamber and to represent these businesses at a local, regional, national and international level.

This year we will complete our governance review that was started last year with the separation of the Chair and Presidents roles. This part of the governance review will be led by the Chair and will make recommendations on the make-up and role of the board and a refresh of the consultative forum.

The new council will also oversee the development of our Annual Chamber Manifesto which will be launched each Spring and based on real business issues that all members will get a chance to influence through the completion of the Quarterly Economic Survey (QES).

Brexit will continue to be an issue for local businesses for the duration of this business plan, and we will continue to offer a comprehensive support package and seek appropriate funding whenever this becomes available.

Goal 4 Raise the profile of the Black Country Chamber of Commerce and its members to business, media and stakeholder communities

We will professionalise our marketing, branding, events and communications which will set us apart from the competition and enable us to engage confidently and proudly to all our audiences. This will kick start a big investment into our marketing and communications activity, which is already growing at a steady pace.

May 2019 saw the second Black Country Business Festival which has quickly become the region's major annual business event. The size and scope of the festival will grow each year of this business plan as we aim to be the biggest and best in the country.

This year will also see the re-launch of our Prosper Magazine. We have bought the design, printing and distribution of this magazine back in-house and we will be launching an ambitious and business focused magazine this autumn.

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Goal 5 Bridge the gap between the world of education and the world of work, helping businesses find the talent they need, and boosting the career prospects of young people.

We will continue to grow our offer to schools and our support to businesses to address their skills gaps each year of this business plan. We will continue to be a central partner of the very successful Careers Enterprise Company's Enterprise Adviser Network which will run until August 2020. We will also continue to grow our excellent Young Chamber increasing the number of pupils engaged each year but also addressing the need to raise an appropriate level of revenue for the programme to be sustainable long term. The Careers Speed Networking event will now become an annual fixture with more schools than ever taking part.

Goal 6 To support and develop our staff and establish a modern and flexible working environment.

We now want to support and grow the skills of our existing workforce in the best way we can and develop a working environment that is flexible, relaxed and business focused. We will procure external support to help manage our training and development needs across the business, but staff will also be able to access our in-house training courses that we will be running for businesses.

We will encourage staff to source and take up mentoring support from relevant professionals and give them time off to take this offer up. We are committed to continue our annual staff satisfaction survey each year and present results and actions to the board and staff.

Auditor

In accordance with the company's articles, a resolution proposing that CK Audit be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Principle risks and uncertainties

The chamber keeps an up to date risk register based on the ambitions set out in the business plan and which is reviewed regularly by the audit committee. Headline risks are around the commercial uptake of our products and membership, the retention of key externally funded contracts and the impact Brexit might have on our local businesses.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



C Crane
Director

22 August 2019

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

Opinion

We have audited the financial statements of Black Country Chamber of Commerce & Industry (the 'company') for the year ended 31 March 2019 which comprise the income and expenditure account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Wendy Davies (Senior Statutory Auditor)
for and on behalf of CK Audit

22 August 2019

Chartered Accountants
Statutory Auditor

No 4 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RH

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Income	3	1,766,972	1,642,387
Cost of sales		(489,830)	(366,152)
Gross surplus		<u>1,277,142</u>	<u>1,276,235</u>
Administrative expenses		(1,423,208)	(1,448,968)
Operating deficit	4	<u>(146,066)</u>	<u>(172,733)</u>
Interest receivable and similar income	7	9,916	14,861
Deficit before taxation		<u>(136,150)</u>	<u>(157,872)</u>
Tax on deficit	8	(1,884)	(2,824)
Deficit for the financial year		<u><u>(138,034)</u></u>	<u><u>(160,696)</u></u>

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Deficit for the year	(138,034)	(160,696)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(138,034)</u>	<u>(160,696)</u>

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	9		51,084		41,567
Current assets					
Debtors	11	543,848		625,750	
Cash at bank and in hand		1,202,670		1,309,135	
		<u>1,746,518</u>		<u>1,934,885</u>	
Creditors: amounts falling due within one year	12	<u>(486,831)</u>		<u>(527,647)</u>	
Net current assets			1,259,687		1,407,238
Total assets less current liabilities			<u>1,310,771</u>		<u>1,448,805</u>
Provisions for liabilities	13		(9,658)		(9,658)
Net assets			<u>1,301,113</u>		<u>1,439,147</u>
Reserves					
Income and expenditure account			<u>1,301,113</u>		<u>1,439,147</u>

The financial statements were approved by the board of directors and authorised for issue on 22 August 2019 and are signed on its behalf by:



C Crane
Director

Company Registration No. 4183431

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Income and expenditure £
Balance at 1 April 2017	1,599,843
Year ended 31 March 2018:	
Loss and total comprehensive income for the year	(160,696)
Balance at 31 March 2018	<u>1,439,147</u>
Year ended 31 March 2019:	
Loss and total comprehensive income for the year	(138,034)
Balance at 31 March 2019	<u><u>1,301,113</u></u>

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Black Country Chamber of Commerce & Industry is a private company limited by guarantee incorporated in England and Wales. The registered office is Creative Industries Centre, Wolverhampton Science Park, Glaisher Drive, Wolverhampton, WV10 9TG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income and expenditure

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably and;
- the costs incurred and the costs to complete the contract can be measured reliably.

Membership subscription income is recognised on invoice date and is deferred to the extent that it relates to future years. Where applicable income on contracts and grants is deferred to the extent that conditions have not yet been met to recognise the income.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	25% once assets are in use
Fixtures and fittings	25% once assets are in use
Computers	25% once assets are in use

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Taxation

The company has obtained exemption from HM Revenue and Customs in respect of corporation tax, it being a company not carrying on a business for the purposes of making a profit. The company only pays corporation tax on its investment income.

1.9 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in surplus or deficit in the period in which it arises.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independent administered funds.

1.12 Investments in joint ventures and partnerships

Interests in joint ventures and partnerships are accounted for as an investment at cost. Any distributions received from joint venture partnerships are accounted for on a cash receipts basis.

1.13 Interest income

Interest income is recognised in the Income Statement using the effective interest method.

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic value in use and whether there are expected future cash flows to be created by the entity.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Tangible Fixed Assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of these assets are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Trade debtors

At each reporting date, trade debtors are assessed for recoverability. If there is any evidence of impairment, the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the income statement.

3 Income

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in England and Wales.

4 Operating deficit

	2019	2018
	£	£
Operating deficit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	36,468	24,064
(Profit)/loss on disposal of tangible fixed assets	-	479
	<u> </u>	<u> </u>

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019	2018
	Number	Number
Average number of employees	39	40

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	939,450	923,460
Social security costs	92,729	89,767
Pension costs	66,210	69,628
	<u>1,098,389</u>	<u>1,082,855</u>

6 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	107,640	105,140
Company pension contributions to defined contribution schemes	5,454	5,454
	<u>113,094</u>	<u>110,594</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018: 1)

7 Interest receivable and similar income

	2019	2018
	£	£
Interest income		
Interest on bank deposits	9,916	14,861

Investment income includes the following:

Interest on financial assets not measured at fair value through surplus or deficit	9,916	14,861
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BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8 Taxation

The company is exempt from corporation taxation on its trading activities. The charge in the accounts represents corporation tax due on bank interest received.

9 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2018	36,800	26,687	73,022	136,509
Additions	-	-	45,985	45,985
Disposals	-	(805)	(1,645)	(2,450)
At 31 March 2019	36,800	25,882	117,362	180,044
Depreciation and impairment				
At 1 April 2018	24,797	18,396	51,749	94,942
Depreciation charged in the year	9,200	6,139	21,129	36,468
Eliminated in respect of disposals	-	(805)	(1,645)	(2,450)
At 31 March 2019	33,997	23,730	71,233	128,960
Carrying amount				
At 31 March 2019	2,803	2,152	46,129	51,084
At 31 March 2018	12,003	8,291	21,273	41,567

10 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	401,684	461,919
Carrying amount of financial liabilities		
Measured at amortised cost	61,740	116,445

11 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade Debtors	280,559	315,191
Prepayments and accrued income	263,289	310,559
	543,848	625,750

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

12 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	27,762	41,455
Corporation tax	1,884	2,824
Other taxation and social security	67,734	62,301
Accruals and deferred income	389,451	421,067
	<u>486,831</u>	<u>527,647</u>

13 Provisions for liabilities

	2019	2018
	£	£
	<u>9,658</u>	<u>9,658</u>

Movements on provisions:

	£
At 1 April 2018 and 31 March 2019	<u>9,658</u>

The provision relates to dilapidation costs in relation to the Ward Street property.

14 Retirement benefit schemes

	2019	2018
	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>66,210</u>	<u>69,628</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

15 Members' liability

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

16 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019	2018
	£	£
Within one year	12,020	12,158
Between two and five years	2,508	13,137
	<u>14,528</u>	<u>25,295</u>

17 Related party transactions

Key management personnel include all directors of the Company. The total remuneration paid to key management personnel for services rendered to the company was £126,314 (2018: £124,156).

The company has traded, as part of its normal operations, with other entities in which directors of the company have an interest. All transactions have been undertaken on an arm's length basis on normal commercial terms. Total income of £117,403 (2018: £113,424) has been received from organisations in which the company's directors have an interest.

Expenditure of £82,268 (2018: £93,472) has been incurred with organisations in which the company's directors have an interest.

At the year end £10,498 (2018: £26,999) was due from organisations in which the company directors have an interest and this is shown in debtors. At the year end £2,140 (2018: £426) was due to organisations in which the company directors have an interest and this is shown in creditors.

18 Ultimate controlling party

The company is not controlled by any single party.

19 Other investments

BCCCI is a member of the West Midlands Chamber of Commerce LLP (WMCC) which owns a subsidiary partnership West Midlands International Trade LLP (WMIT). WMIT delivers international trade services to companies in the region under a contract with Department for International Trade. WMCC's group reserves at 31 March 2019 were £532,107 (2018 - £509,483) of which BCCCI's share was £92,081 (2018 - £88,516). BCCCI has accounted for its interest in the entity as an investment at nil cost. No amount has been remitted to BCCCI in the current or prior year. Any future distributions will be accounted for on a cash basis.