

Company Registration No. 04183431 (England and Wales)

**BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

COMPANY INFORMATION

Directors	D A Roberts G M Layer J M Woolvin A S J Bond C Crane A Allibhai A B Williams S Moorhouse J L Smith	(Appointed 25 November 2019)
Secretary	L Taylor	
Company number	04183431	
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

CONTENTS

	Page
Directors' report	1 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Income and expenditure account	9
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13 - 21

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

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 27 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 contracts supporting the Armed Forces to offer bespoke 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 9 directors who, except for the CEO, Chair, President and Vice President, retire by rotation after a fixed term. We have an active Consultative Forum that supports the Chamber 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	(Resigned 25 November 2019)
G M Layer	
J M Woolvin	
A S J Bond	
C Crane	
A Allibhai	
D E Owen	(Resigned 2 October 2019)
A B Williams	
S Moorhouse	
J L Smith	(Appointed 25 November 2019)

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Results and dividends

Financial outturn 2019/ 20:

The financial outturn from the year was a surplus of £1,192 before taxation.

The transformation of the Chamber has been remarkable and 2019/ 20 was a very positive year with stabilising membership numbers, new CRM and Website and an incredible increase in our social media and regional profile. We have an excellent board and a stable and high performing team. The business has healthy reserves and had the Covid 19 pandemic not had such a large impact on end of year activity we would have hoped to increase that surplus significantly. After a process of modernisation and restructure 2019/ 20 was focused as a year of delivery and we achieved:

- The re-launch of our business magazine, Prosper. This magazine has been a great success and now looks and feels like a modern and progressive publication that has generated huge publicity and won many plaudits.
- A successful 2nd Black Country Business Festival which had over 110 events taking place over two weeks and attracting 4000 attendees. The festival is now the second biggest in the country and we have an eye on the number 1 spot.
- Our revitalised Annual Business Awards was the biggest yet and has quickly established itself as one of the highest profile events in the region.
- Continued the development of our governance processes with all board members completing a Directors Training day delivered by the IOD.
- Launched the Black Country 2022 Forum to promote procurement and business engagement opportunities in the run up to the commonwealth games in 2022.
- Established the Black Country All Party Parliamentary Group (APPG) that has all local MPs, regardless of political party, as members and will help us lobby on those critical local business issues that our members ask for support.
- Developed and secured funding for a national Chamber Military Network in partnership with the British Chamber of Commerce and became the first Chamber in the UK to be awarded the Defence Gold Employer Recognition Scheme Award for our support of the Armed Forces community.
- Completed an excellent employee staff survey which has seen improvements in every area of the business and an overall staff satisfaction result that puts the Chamber in the top 5% in the country.

But clearly Covid 19 has had an impact on our finances for 2019/ 20 with a drop in advertising revenue, delays on training courses and the postponement of the launch of Visit Black Country, our new tourism offer, that we had hoped would generate substantial marketing revenue.

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 2020

Future developments

Over the next two years, the Chamber will continue to deliver our 3-year business plan and focus on six high level goals that will increase membership, profile, and commercial revenue.

Underpinning these goals are a set of strategic ambitions that the BCCC Board agreed at an annual away day – these are for us to be:

- The best possible Business Support Organisation
- Exemplars in digital transformation
- Exemplars in Inclusive Leadership
- Closer Collaboration with neighbouring Chambers

However, Covid 19 has meant that we have had to re-evaluate every part of the business as we deal not only with the ongoing issues around this disease, but prepare for a national and global recession and the impact of leaving the European Union. All these issues will have an impact on our members and the success of our commercial activity.

Alongside an early decision to offer all members a membership fee holiday for April, May and June 2020, we decided against the production of a formal 12 month budget and are working with our audit committee and wider board on a rolling budget with quarterly reports on progress and the current financial position.

The board has also agreed two plans. The first is focused on the business and has set out how we will reduce overheads, review our policies around office working to make it a Covid safe environment, a major channel shift of account management and business support from face to face to online, phone and video calls, a new focus on revenue sourcing from public contracts and a review of all staff contracts to include homeworking and flexible working.

The second plan is aimed at our members and local businesses and how they operate in a post Covid world. This document, Black Country 2.0, will focus on rebooting, rebuilding and rebounding and sets out our approach to business support, policy and campaigns and marketing and profile raising.

2020/21 will be a tough year and undoubtedly will result in a deficit at the year-end – but it is important to note that we have healthy reserves, a focused business plan, a dedicated team and a great reputation with local businesses and partners. We had grown into a strong business before Covid and we will be a brilliant business once this disease is beaten.

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 and Covid 19 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.

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

On behalf of the board



C Crane
Director

27 August 2020

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

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 2020 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 2020 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

27 August 2020

**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 2020

	Notes	2020 £	2019 £
Income	3	1,752,009	1,766,972
Cost of sales		(444,052)	(489,830)
Gross surplus		1,307,957	1,277,142
Administrative expenses		(1,324,254)	(1,423,208)
Other operating income		546	-
Operating deficit	4	(15,751)	(146,066)
Interest receivable and similar income	7	16,943	9,916
Surplus/(deficit) before taxation		1,192	(136,150)
Tax on surplus/(deficit)	8	(3,219)	(1,884)
Deficit for the financial year		(2,027)	(138,034)

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 2020

	2020	2019
	£	£
Deficit for the year	(2,027)	(138,034)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(2,027)</u>	<u>(138,034)</u>

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	9		52,237		51,084
Current assets					
Debtors	11	803,527		543,848	
Cash at bank and in hand		1,176,418		1,202,670	
		<u>1,979,945</u>		<u>1,746,518</u>	
Creditors: amounts falling due within one year	12	<u>(733,096)</u>		<u>(486,831)</u>	
Net current assets			1,246,849		1,259,687
Total assets less current liabilities			<u>1,299,086</u>		<u>1,310,771</u>
Provisions for liabilities	13		-		(9,658)
Net assets			<u>1,299,086</u>		<u>1,301,113</u>
Reserves					
Income and expenditure account			<u>1,299,086</u>		<u>1,301,113</u>

The financial statements were approved by the board of directors and authorised for issue on 27 August 2020 and are signed on its behalf by:



C Crane
Director

Company Registration No. 04183431

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Income and expenditure £
Balance at 1 April 2018	1,439,147
Year ended 31 March 2019:	
Loss and total comprehensive income for the year	(138,034)
Balance at 31 March 2019	<u>1,301,113</u>
Year ended 31 March 2020:	
Loss and total comprehensive income for the year	(2,027)
Balance at 31 March 2020	<u><u>1,299,086</u></u>

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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 2020

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 2020

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 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.14 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.

1.15 Interest income

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

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.

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

2 Judgements and key sources of estimation uncertainty (Continued)

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

	2020	2019
	£	£
Operating deficit for the year is stated after charging/(crediting):		
Exchange gains	(42)	-
Government grants	(546)	-
Depreciation of owned tangible fixed assets	27,088	36,468
	<u>27,088</u>	<u>36,468</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £42 (2019 - £-).

5 Employees

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

	2020	2019
	Number	Number
Average number of employees	37	39
	<u>37</u>	<u>39</u>

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Employees (Continued)

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	901,499	948,631
Social security costs	87,052	92,729
Pension costs	63,845	66,210
	<u>1,052,396</u>	<u>1,107,570</u>

6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	111,958	116,821
Company pension contributions to defined contribution schemes	5,563	5,454
	<u>117,521</u>	<u>122,275</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019: 1)

7 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	16,943	9,916

Investment income includes the following:

Interest on financial assets not measured at fair value through surplus or deficit	<u>16,943</u>	<u>9,916</u>
--	---------------	--------------

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.

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2019	36,800	25,882	117,361	180,043
Additions	-	-	28,241	28,241
At 31 March 2020	36,800	25,882	145,602	208,284
Depreciation and impairment				
At 1 April 2019	33,997	23,730	71,232	128,959
Depreciation charged in the year	2,595	1,687	22,806	27,088
At 31 March 2020	36,592	25,417	94,038	156,047
Carrying amount				
At 31 March 2020	208	465	51,564	52,237
At 31 March 2019	2,803	2,152	46,129	51,084

10 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	644,382	401,684
Carrying amount of financial liabilities		
Measured at amortised cost	35,567	61,740

11 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade Debtors	538,980	280,559
Prepayments and accrued income	264,547	263,289
	803,527	543,848

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	11,152	27,762
Corporation tax	3,219	1,884
Other taxation and social security	106,234	67,734
Accruals and deferred income	612,491	389,451
	<u>733,096</u>	<u>486,831</u>

13 Provisions for liabilities

	2020 £	2019 £
	-	9,658
	<u>-</u>	<u>9,658</u>

The provision in 2019 related to dilapidation costs in relation to the Ward Street property. This was settled in 2020.

14 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	63,845	66,210
	<u>63,845</u>	<u>66,210</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.

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:

	2020 £	2019 £
Within one year	5,258	12,020
Between two and five years	7,700	2,508
	<u>12,958</u>	<u>14,528</u>

BLACK COUNTRY CHAMBER OF COMMERCE & INDUSTRY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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 £120,882 (2019: £126,314).

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 £369,174 (2019: £117,403) has been received from organisations in which the company's directors have an interest.

Expenditure of £92,603 (2019: £82,268) has been incurred with organisations in which the company's directors have an interest.

At the year end £302,047 (2019: £10,498) was due from organisations in which the company directors have an interest and this is shown in debtors. At the year end £1,895 (2019: £2,140) 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 2020 were £531,984 (2019 - £532,107) of which BCCCI's share was £92,062 (2019 - £92,081). 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.