Registered number: 00078731

Birmingham Chamber of Commerce and Industry

Directors' Report and Financial Statements

For the Year Ended 31 March 2016

Greater Birmingham
Chambers
of Commerce

Birmingham Chamber of Commerce and Industry
(A company limited by guarantee)

Company Information

Directors	D J Waller (Chairman) G J Lowson (President) P Kehoe (Vice-President) P J Faulkner (Chief Executive, BCCI) M A Hibbert (Chief Finance Officer, BCCI) R S Jeans (Director of Business Services, BCCI) A J N Awan (Co-opted Member) M C Froom (Co-opted Member) T S D Pile (Co-opted Member)
Registered number	00078731
Registered office	Chamber of Commerce House 75 Harborne Road Edgbaston Birmingham West Midlands B15 3DH
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH

Birmingham Chamber of Commerce and Industry
(A company limited by guarantee)

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Introduction

Birmingham Chamber of Commerce and Industry ("BCCI") is a company limited by guarantee and the liability of each member is limited to £10. Any surpluses generated cannot be distributed but are re-invested for the benefit of members.

BCCI operates under the name of Greater Birmingham Chambers of Commerce (GBCC) which includes the:
- Birmingham Chamber of Commerce;
- Asian Business Chamber of Commerce;
- British American Business Council;
- Burton & District Chamber of Commerce;
- Chase Chamber of Commerce;
- Future Faces;
- Lichfield & Tamworth Chamber of Commerce;
- Solihull Chamber of Commerce; and
- Sutton Coldfield Chamber of Commerce.

GBCC is primarily a business membership organisation with the primary functions of:
- representing members' views through lobbying activity;
- providing support and growth opportunity for member businesses, in particular networking opportunities; and
- adding value to member and local business organisations through the provision of business services.

Whilst the income we receive from member subscriptions is very important to BCCI, the services which are provided to members are only partly paid for by that income which represents about 20% of our total income. To add to the membership experience, GBCC provides funded and commercially based business services to its members and customers including business start-up assistance and employment services and UK Trade & Investment supported international trade and export services. BCCI also helps member and non-member businesses by providing conference & meeting facilities, export documentation services and other business services.

Strategy and objectives

GBCC is a business services organisation with members at our heart. We have been creating partnerships with businesses across Birmingham since 1813 in order to help them transform and develop. We want to:
- create a partnership with local businesses rather than take a 'one size fits all' approach;
- build a reputation for delivering great services for business and being the "go to" organisation for businesses seeking help;
- help local businesses to grow by constant support and connection to opportunities.
- create a thriving business community and be respected by businesses and government for articulating what business wants.

Our Mission therefore is to Connect, Support and Grow local businesses. The implementation of an Investment Plan to provide the resources to achieve our Mission is at the core of our 2016-19 Business Plan. The Plan will ensure that a balance between services to members and non-members will be maintained with enhanced resources in our Membership and Public Funded Services departments.

Principal risks and uncertainties

In previous years the main treasury risks faced by BCCI related to its liquidity position. However, following the arrangement of a £350,000 medium term bank loan in 2014 and an increasingly strong financial performance over recent years, BCCI's liquidity position is much improved. The Cash Flow Statement on page 15 shows that at the end of the year BCCI's net cash and cash equivalents were £659,000 compared to net borrowings of £25,000 at the start of the year. Cash at bank and in hand was £922,000 compared to £283,000 at the beginning of the year. Net interest paid was £13,000 (2015: £23,000).

In common with many organisations in the UK, BCCI is managing a funding deficit in its Final Salary Pension Scheme. The funding position is accounted for in accordance with Financial Reporting Standard 102 (FRS 102) and the methodology prescribed by the standard produced a gross deficit at the year-end of £1,348,000 (2015: £1,342,000) before a deferred tax asset of £256,000 (2015: £268,000). How this liability is calculated and reflected in the balance sheet depends largely on factors that are outside of BCCI's control, being principally long-term investment returns, bond yields, inflation rates and mortality rates. The disclosures required under FRS 102 therefore do not reflect the long-term nature of the scheme's liabilities and in particular the cash flows required to fund the scheme. Following the last finalised full actuarial valuation of the fund as at 30th June 2014, agreement was reached with the fund's trustee on future funding within an affordable recovery plan. Contributions of £139,000 (2015: £132,000) were paid into the fund during the year.

Analysis of performance

Total income for the year of £6.3 million was 7.8% down on the previous year, mainly as a result of a fall in overseas exhibition income and language services income, which had a very good year in 2014/15. Membership & patronage subscriptions income of £1.43 million was 4.8% higher than for the previous year. An analysis of income is set out in note 4.

BCCI's Operating Surplus for 2015/16 was £436,000 compared to £236,000 for 2014/15 and £166,000 for 2013/14. The Surplus before tax of £383,000 was after a notional net interest charge on pension fund liabilities of £40,000 (2015: £55,000). Taxation on the surplus of £110,000 included a deferred tax charge of £56,000.

The Statement of Comprehensive income on page 11 shows that the substantial surplus for the year of £273,000 (2015: £104,000) was reduced by a net actuarial loss from the pension fund of £85,000 (2015: £99,000). Revenue Reserves at the year end were £160,000 (2015: £(50,000)) after a net pension liability of £1,092,000 (2015: £1,074,000). Total reserves increased by £188,000 to £1,116,000.

The Board is pleased that, after a number of operationally difficult years, BCCI has continued to make an adequate and increasing level of surpluses. Whilst being a not-for-profit organisation, BCCI does not receive any direct public funding and has to make surpluses to generate cash flow and maintain its working capital. The operating surpluses over the last few years have resulted from improved results in a number of areas and have allowed the Chamber to commence an Investment Plan designed to improve member services.

The reorganisation in which BCCI has invested has also had the effect of de-risking the business going forward, leaving us less dependent on any particular aspect of the business. The Board is consequently able to set out its business plan with a greater degree of confidence that it is both robust and achievable.

Key performance indicators

The number of members the Chamber has is a key performance indicator (KPI) for BCCI. At 31st March 2015 the total GBCC membership was 2,402. During the year this number grew to 2,581. This 7.5% increase came after a number of years of declining membership and compares favourably to a national chambers' membership increase of 1.4%. This shows that the ambition within our Investment Plan to grow membership numbers is starting to be realised.

Financial KPIs such as revenue, contribution and cash are monitored through budgeting and management accounting processes. Other non-financial KPIs are identified each year as part of the business planning process. During 2015/16 KPIs were devised and monitored to help Membership, International and Business Venture activities. BCCI's senior management team monitor the KPSs at least monthly and they are reported to the Board at each meeting. The KPIs act as an early warning on performance issues and allow BCCI's management to take timely corrective actions when necessary.

Environmental, employee, social and community strategy

BCCI recognises its obligations to Corporate Social Responsibility (CSR) in creating the right culture for its business. We take a broader view of business issues, prompting us to consider ethical and sustainability issues to the benefit of all our stakeholders, ranging from members to employees, suppliers, local community partners and society in general. We use a simple model to divide our approach to CSR into six main segments:
1. How we look after and work with the communities in which we operate:
2. How we protect, consider and improve our impact on the environment:
3. How we care for our staff, providing good working conditions and opportunities for development:
4. How we look after our customers, suppliers and all those who come into contact with us as a business:
5. How we operate an ethical approach to our work:
6. How we influence the behaviour of our members

The Chamber network is at the forefront of promoting the advantages of CSR to small businesses through our involvement with likeminded partner organisations. The Chamber's President is leading an initiative to make Birmingham famous as the CSR city in the UK. The goal behind this is to make it very easy for companies relocating or setting up a business in Birmingham to get involved with helping the community. There is a desire to align this initiative with the City Council's Business Charter for Social Responsibility. The ambition is to create a unified and strategic CSR programme in a partnership between the public and private sectors which meets the CSR needs of the City with education, employment, social, profile and inward investment benefits.

This report was approved by the board on 15 July 2016 and signed on its behalf.

M A Hibbert
Director

The directors present their report and the financial statements for the year ended 31 March 2016.

Results and dividends

The surplus for the year, after taxation, amounted to £273,000 (2015 - £104,000).

Directors

The directors who served during the year were:

D J Waller (Chairman)
G J Lowson (President)
P Kehoe (Vice-President)
P J Faulkner (Chief Executive, BCCI) (appointed 3 July 2015)
J B Blackett (Chief Executive, BCCI) (resigned 3 July 2015)
M A Hibbert (Chief Finance Officer, BCCI)
R S Jeans (Director of Business Services, BCCI)
A J N Awan (Co-opted Member)
M C Froom (Co-opted Member)
T S D Pile (Co-opted Member)

During the year Director's and officers indemnity insurance cover of £5 million was provided by Birmingham Chamber of Commerce and Industry ("BCCI") as part of its professional indemnity insurance arrangements.

Going concern

BCCI's short-term funding requirement can be met within its current bank overdraft facility of £100,000. BCCI's forecasts and projections, taking account of possible changes in trading performance, show that the BCCI will be able to operate within the facility for a period of at least 12 months from the date these accounts were approved. This facility is uncommited in nature but was agreed with the BCCI's bankers in 2015 following a review of future borrowing needs in 2014 which resulted in the arrangement of a £350,000 loan repayable over 7 years.

The Directors also note that the BCCI continues to hold a significant funding deficit on its final salary pension scheme. BCCI has agreed a Recovery Plan with the Scheme Trustee board based on the latest triennial actuarial valuation of the scheme as at 30th June 2014. The Plan commits the Chamber to pay contributions of £138,915 per annum, increasing annually by 5% with the first increase due on 1 April 2016. Under this Plan, it is expected that the Statutory Funding Objective will be met by 30 June 2022 compared to 30 June 2026 under the previous Recovery Plan.

After making enquiries, the Directors have reasonable expectation that the company will have adequate resources to continue its operations for the forseeable future. Accordingly, they continue to adopt the going concern basis for preparing the annual report and accounts.

Future developments

BCCI's Strategy and Objectives are set out in the Strategic Report on pages 1 - 3. The Board will continue to implement the business plan which has resulted in the growth of the Chamber's membership and the establishment of adequate and sustainable financial surpluses.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Matters covered in the strategic report

Details of the principal risks and uncertainties are contained in the strategic report.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

During the year, Ernst & Young LLP resigned as the company's auditors. Following a formal tender process, Dains LLP were appointed to fill the resulting casual vacancy. Dains LLP have expressed their willingness to continue in office and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 15 July 2016 and signed on its behalf.

M A Hibbert
Director

CORPORATE GOVERNANCE

The Board continually reviews BCCI's corporate governance and improvements are regularly incorporated into the Articles of Association in response to changes in the company's operations and environment. BCCI's Board believes that this process ensures that the corporate governance structure follows best practice and that the members have the best possible opportunity to take part in and be properly represented by their Chambers within the GBCC area.

The Board is responsible for establishing and maintaining BCCI's system of financial control. Internal control systems are designed to meet the particular needs of the company concerned and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. The directors have established the following with a view to providing effective internal financial control:

The Board

The Board has overall responsibility for the company and there is a formal schedule of matters specifically reserved for decision by the Board. The Board is responsible for identifying the major business risks faced by the company and for agreeing with the Executive Management Committee the appropriate courses of action to manage those risks. Risk assessment forms part of the annual business plan which is approved by the Board with the annual budget. Performance is monitored and relevant action taken throughout the year through the reporting to the Board of variances from the budget and forecasts, together with progress on the management of identified risks.

The Appointments Committee

The Appointments Committee is appointed by the Board from amongst the Board Members and consists of not less than four members. The Appointments Committee identifies for approval by the Chamber Council suitable candidates for senior appointments up to and including the Board Chairman, Chief Executive, Chief Finance Officer and other senior officers as decided by the Board.

The Audit Committee

The Audit Committee operates as a sub-set of the Board which formally deals with such duties as:

- monitoring the integrity of the company's financial statements and reviewing significant financial reporting judgements contained in them;
- approving the company's annual audited statutory accounts;
- reviewing the company's internal financial control system and its risk management systems;
- monitoring the independence, objectivity and effectiveness of the external auditor and approving their terms of engagement and remuneration;
- ensuring that suitable arrangements are in place for investigating Protected Disclosures raised by company staff about possible financial reporting improprieties;
- receiving Protected Disclosures from Chamber staff and considering appropriate follow-up action.

The Board satisfies itself that at least one member of the Board has sufficiently recent and relevant financial experience to be chairman of the Audit Committee.

The Remuneration Committee

The Remuneration Committee determines the overall remuneration package for executive directors in order to attract and retain high quality executives capable of achieving the Company's objectives. The members of the Committee are the Chairman, the Chief Executive, the President and two Board Members. The terms of reference of the Committee are agreed by the Board and the Chairman and the Chief Executive absent themselves from all discussions regarding their own remuneration.

Independent Auditors' Report to the Members of Birmingham Chamber of Commerce and Industry

We have audited the financial statements of Birmingham Chamber of Commerce and Industry for the year ended 31 March 2016, which comprise the income and expenditure account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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.

Respective responsibilities of Directors and Auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its surplus 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and 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.

Other matter

The financial statements of the company for the year ended 31 March 2015 were audited by Ernst & Young LLP who expressed an unmodified opinion on those financial statements on 17 July 2015.

Matters on which we are required to report by exception

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.

Dains LLP

Andrew Morris FCA (Senior statutory auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

22 July 2016

Birmingham Chamber of Commerce and Industry
(A company limited by guarantee)

Income and expenditure account
For the Year Ended 31 March 2016

	Note	2016 £000	2015 £000
Income	4	**6,293**	6,824
Administrative expenses		**(5,857)**	(6,588)
Operating surplus	5	**436**	236
Interest receivable and similar income	9	**3**	-
Interest payable and similar charges	10	**(16)**	(23)
Other finance costs		**(40)**	(55)
Surplus before tax		**383**	158
Tax on surplus	12	**(110)**	(54)
Surplus for the year		**273**	104

The notes on pages 16 to 37 form part of these financial statements.

Birmingham Chamber of Commerce and Industry
(A company limited by guarantee)

Statement of Comprehensive Income
For the Year Ended 31 March 2016

	Note	2016 £000	2015 £000
Surplus for the financial year		**273**	104
Other comprehensive income			
Unrealised surplus on revaluation of long leasehold property		**-**	132
Actuarial loss on defined benefit schemes		**(105)**	(154)
Movement on deferred tax relating to pension loss		**20**	55
Other comprehensive income for the year		**(85)**	33
Total comprehensive income for the year		**188**	137

The notes on pages 16 to 37 form part of these financial statements.

Birmingham Chamber of Commerce and Industry
(A company limited by guarantee)
Registered number: 00078731

Balance Sheet
As at 31 March 2016

	Note		2016 £000		2015 £000
Fixed assets					
Tangible assets	13		**2,913**		2,961
			2,913		2,961
Current assets					
Stocks	14	**7**		5	
Debtors	15	**1,285**		1,339	
Cash at bank and in hand	18	**922**		283	
		2,214		1,627	
Creditors: amounts falling due within one year	19	**(745)**		(892)	
Net current assets			**1,469**		735
Total assets less current liabilities			**4,382**		3,696
Creditors: amounts falling due after more than one year	20		**(216)**		(263)
Accruals and deferred income	24		**(1,702)**		(1,163)
Net assets excluding pension liability			**2,464**		2,270
Pension liability			**(1,348)**		(1,342)
Net assets			**1,116**		928
Reserves					
Revaluation reserve	25		**956**		978
Profit and loss account	25		**160**		(50)
			1,116		928

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 July 2016.

M A Hibbert
Director

The notes on pages 16 to 37 form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 March 2016

	Revaluation reserve	Retained earnings	Total equity
	£000	£000	£000
At 1 April 2015	978	(50)	928
Comprehensive income for the year			
Surplus for the year	-	273	273
Actuarial losses on pension scheme	-	(105)	(105)
Deferred tax movements relating to pension loss	-	20	20
Transfer between reserves	(22)	22	-
Other comprehensive income for the year	(22)	(63)	(85)
Total comprehensive income for the year	(22)	210	188
Total transactions with owners	-	-	-
At 31 March 2016	956	160	1,116

Statement of Changes in Equity
For the Year Ended 31 March 2015

	Revaluation reserve £000	Retained earnings £000	Total equity £000
At 1 April 2014	868	(77)	791
Comprehensive income for the year			
Surplus for the year	-	104	104
Actuarial losses on pension scheme	-	(154)	(154)
Deferred tax movements relating to pension loss	-	55	55
Surplus on revaluation of leasehold property	132	-	132
Transfer between reserves	(22)	22	-
Other comprehensive income for the year	110	(77)	33
Total comprehensive income for the year	110	27	137
Total transactions with owners	-	-	-
At 31 March 2015	978	(50)	928

The notes on pages 16 to 37 form part of these financial statements.

Statement of Cash Flows
For the Year Ended 31 March 2016

	2016 £000	2015 £000
Cash flows from operating activities		
Profit for the financial year	**273**	104
Adjustments for:		
Depreciation of tangible assets	**61**	51
Increase in stocks	**(2)**	-
Interest paid	**16**	23
Interest received	**(3)**	-
Taxation	**110**	54
Decrease in debtors	**18**	71
Increase in creditors and deferred income	**352**	300
Pension charge	**40**	55
Pension contributions	**(139)**	(132)
Corporation tax	**(4)**	-
Net cash generated from operating activities	**722**	526
Cash flows from investing activities		
Purchase of tangible fixed assets	**(13)**	(11)
Interest received	**3**	-
HP interest paid	**(1)**	-
Net cash from investing activities	**(11)**	(11)
Cash flows from financing activities		
Repayment of loans	**(45)**	(42)
Repayment of finance leases	**(12)**	-
Interest paid	**(15)**	(23)
Net cash used in financing activities	**(72)**	(65)
Net increase / (decrease) in cash and cash equivalents	**639**	450
Cash and cash equivalents at beginning of year	**283**	(167)
Cash and cash equivalents at the end of year	**922**	283
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**922**	283
	922	283

The notes on pages 16 to 37 form part of these financial statements.

1. General information

Birmingham Chamber of Commerce and Industry is a company limited by guarantee and is incorporated in England and Wales under the Companies Act. The address of the registered office is 75 Harborne Road, Edgbaston, Birmingham, B15 3DH. The company is a membership organisation for employers and individuals and further information regarding the company's operations and principal activities are set out in the strategic report and directors report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of leasehold property and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Group accounts have not been prepared as all of the company's subsidiaries are dormant and are permitted to be excluded from group accounts by virtue of sections 402 and 405 of the Companies Act 2006. These financial statements therefore present information about the company as a individual undertaking and not about its group.

Information on the impact of first-time adoption of FRS 102 is given in note 31.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report and Strategic Report on pages 1 to 6.

BCCI's short-term funding requirement can be met within its current bank overdraft facility of £100,000. BCCI's forecasts and projections, taking account of possible changes in trading performance, show that the BCCI will be able to operate within the facility for a period of at least 12 months from the date these accounts were approved. This facility is uncommited in nature but was agreed with the BCCI's bankers in 2015 following a review of future borrowing needs in 2014 which resulted in the arrangement of a £350,000 loan repayable over 7 years.

The Directors also note that the BCCI continues to hold a significant funding deficit on its final salary pension scheme. BCCI has agreed a Recovery Plan with the Scheme Trustee board based on the latest triennial actuarial valuation of the scheme as at 30th June 2014. The Plan commits the Chamber to pay contributions of £138,915 per annum, increasing annually by 5% with the first increase due on 1 April 2016. Under this Plan, it is expected that the Statutory Funding Objective will be met by 30 June 2022 compared to 30 June 2026 under the previous Recovery Plan.

After making enquiries, the Directors have reasonable expectation that the company will have adequate resources to continue its operations for the forseeable future. Accordingly, they continue to adopt the going concern basis for preparing the annual report and accounts.

2. Accounting policies (continued)

2.3 Revenue

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.

Deferral of income

Membership income is deferred to the extent that it relates to future years.

Other revenue: rental income

Rental income is recognised in the period to which it relates.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

2. Accounting policies (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long term leasehold property	- 50 years
Fixtures and fittings	- 5 - 8 years
Computer equipment	- 3 - 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the income and expenditure account.

An amount equal to the excess of the annual depreciation charge on revalued assets over the historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to revenue reserves.

2.5 Revaluation of tangible fixed assets

Individual leasehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers. The last professional valuation was performed in March 2015.

Revaluation gains and losses are recognised in the income and expenditure account unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.6 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Interests in joint venture partnerships are accounted for as an investment at cost.

Any distributions received from joint venture partnerships are accounted for on a cash basis.

2.8 Stocks

Stocks consists of office supplies and are valued at the lower of cost and net realisable value on a first in first out basis.

2. Accounting policies (continued)

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Income statement at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Income statement in the same period as the related expenditure.

2.14 Finance costs

Finance costs are charged to the income and expenditure account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the income and expenditure account when 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 independently administered funds.

Defined benefit pension scheme

For the defined benefit scheme, which was closed to new entrants on 30 September 2002 and ceased to accrue future benefits to existing members on 1 September 2007, the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The net interest on the defined benefit liability has been included in other finance costs and scheme administration expenses have been included within administrative costs.

Defined benefit schemes are funded, with the assets held separately from the company in separate trustee administered funds. A liability is recognised in the balance sheet in respect of the defined benefit plan which represents the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The liability is updated on an annual basis using the projected unit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses are recognised in reserves in the year in which they arise. Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

2.16 Interest income

Interest income is recognised in the income and expenditure using the effective interest method.

2.17 Borrowing costs

All borrowing costs are recognised in the income and expenditure in the year in which they are incurred.

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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 it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Pension valuation
Management obtain an actuarial valuation annually whereby the defined liability is measured by using the present value of its obligations under defined benefit plans less the fair value at the reporting date of plan assets out of which the obligations are to be settled. For further details, see the pension commitment note.

Property valuation
Management obtain property valuations which are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Interest in joint venture partnership
Due to the uncertain nature of the recoverability of any potential profit distribution in the joint venture partnership, all future distributions will be accounted for on a cash basis.

4. Analysis of income

Income represents the amounts derived from the provisions of services in the United Kingdom which fall within the Company's continuing activities, stated net of value added tax. Income is attributable to the following business classes:

	2016	2015
	£000	£000
Membership & Patrons	**1,431**	1,365
General Services	**3,252**	3,730
Public Funded Activity	**1,250**	1,332
Rental Income	**360**	397
	6,293	6,824

Public Funded Activity income relates to European and Government funding received to support consultancy, export, training and employment services to businesses.

5. Operating surplus

The operating surplus is stated after charging:

	2016 £000	2015 £000
Depreciation of tangible fixed assets	61	51
Operating lease rentals - plant and machinery	50	49
Operating lease rentals - land and buildings	13	18
Defined contribution pension cost	86	68
Severance costs	-	11

6. Auditors' remuneration

	2016 £000	2015 £000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	13	23
Other services relating to taxation	2	8

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £000	2015 £000
Wages and salaries	2,639	2,555
Social security costs	252	251
Cost of defined contribution scheme	86	68
	2,977	2,874

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Employees	80	77

8. Directors' remuneration

	2016 £000	2015 £000
Directors' emoluments	**390**	318
Company contributions to defined contribution pension schemes	**17**	23
	407	341

During the year retirement benefits were paid on behalf of 3 directors (2015 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £129,203 (2015 - £171,261).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,400 (2015 - £NIL).

9. Interest receivable and similar income

	2016 £000	2015 £000
Other interest receivable	**3**	-
	3	-

10. Interest payable and similar charges

	2016 £000	2015 £000
Bank interest payable	**15**	20
Other loan interest payable	**-**	2
Finance leases and hire purchase contracts	**1**	1
	16	23

11. Other finance costs

	2016 £000	2015 £000
Net interest on net defined benefit liability	**40**	55
	40	55

12. Taxation

	2016 **£000**	2015 £000
Corporation tax		
Current tax on profits for the year	**50**	-
Adjustments in respect of previous periods	**4**	-
	54	-
Total current tax	**54**	-
Deferred tax		
Origination and reversal of timing differences	**56**	54
Total deferred tax	**56**	54
Taxation on profit on ordinary activities	**110**	54

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 **£000**	2015 £000
Profit on ordinary activities before tax	**384**	158
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	**77**	32
Effects of:		
Expenses not deductible for tax purposes	**13**	6
Deferred tax credited directly to equity	**20**	55
Other timing differences	**-**	(39)
Total tax charge for the year	**110**	54

Factors that may affect future tax charges

The company had tax losses of £1,080,041 (2015 - £1,056,636) that are available indefinitely for offset against future taxable profits of those activities from which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen from activities that have a marginal future profitability. In addition, the company has capital losses of £122,283 (2015 - £122,283) which can be offset against future capital gains. Deferred tax assets have not been recognised in respect of these losses as no future capital gains are anticipated.

13. Tangible fixed assets

	Long Term leasehold Property £000	Computers & Fixtures £000	Total £000
Cost or valuation			
At 1 April 2015	2,930	1,958	4,888
Additions	10	3	13
At 31 March 2016	2,940	1,961	4,901
Depreciation			
At 1 April 2015	-	1,927	1,927
Charge owned for the period	44	4	48
Charge financed for the period	-	13	13
At 31 March 2016	44	1,944	1,988
Net book value			
At 31 March 2016	2,896	17	2,913
At 31 March 2015	2,930	31	2,961

The long leasehold property was valued at £2,930,000 by Lisa Hastilow and James Daffern of Jones Land LaSalle Limited as at 31st March 2015 on the basis of market value in accordance with the Royal Institute of Chartered Surveyors' Valuation Standards.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £000	2015 £000
Computers & fixtures	8	21
	8	21

The net book value of long term leasehold property is made up as follows:

	Land and buildings £000
At cost	1,448
At valuation:	
On 31 March 2016 based on market value	1,448
	2,896

13. Tangible fixed assets (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2016 £000	2015 £000
Cost	**1,448**	1,438
Accumulated depreciation	**(985)**	(963)
Net book value	**463**	475

14. Stocks

	2016 £000	2015 £000
Finished goods and goods for resale	**7**	5
	7	5

15. Debtors

	2016 £000	2015 £000
Due after more than one year		
Deferred tax asset	**256**	268
	256	268
Due within one year		
Trade debtors	**807**	720
Other debtors	**88**	208
Prepayments and accrued income	**67**	52
Deferred taxation	**67**	91
	1,285	1,339

16. Subsidiary undertakings

The Birmingham Chamber of Commerce holds 99% of the issued share capital in the Birmingham C.O.C Pension Fund Trustee Company Limited being 99 out of 100 shares of 5p each. The company acts as the trustee of the group's staff pension scheme and was dormant throughout the year.

The Birmingham Chamber of Commerce wholly owns the Birmingham & Solihull Link DBS Trustee Limited. The company was dormant throughout the year.

17. Other investments

At 31st March 2015, the Birmingham Chamber of Commerce owned £1 B Share in National Exhibition Centre Limited, which is registered in England and Wales. The company acted as the non-profit making managing agent for the National Exhibition Centre Limited (NEC), the assets of which were owned by Birmingham City Council (BCC). On 1st May 2015 the NEC was sold including the disposal of the Birmingham Chamber of Commerce's one B share for consideration at par.

The Birmingham Chamber of Commerce is a member of West Midlands Chambers 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 UK Trade & Investment. WMCC's group reserves at 31st March 2016 were £436,000 (2015: £430,000) of which BCCI's share was £69,000 (2015: £64,000). .

18. Cash and cash equivalents

	2016	2015
	£000	£000
Cash at bank and in hand	**922**	283
	922	283

19. Creditors: Amounts falling due within one year

	2016	2015
	£000	£000
Bank loans	**47**	45
Trade creditors	**205**	378
Corporation tax	**50**	-
Taxation and social security	**280**	298
Obligations under finance lease and hire purchase contracts	**2**	14
Other creditors	**161**	157
	745	892

Secured creditors
Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

The bank loan is secured by a fixed and floating charge over certain of the company's assets. The loan is repayable by equal monthly instalments over a 7 year period to March 2021 at an interest rate of 5% above the National Westminster Bank Plc base rate.

Secured loans

The bank overdraft is secured by a fixed and floating charge over certain of the company's assets.

The bank loan is secured by a fixed and floating charge over certain of the company's assets. The loan is repayable by equal monthly instalments over a 7 year period to March 2021 at an interest rate of 5% above the National Westminster Bank Plc base rate.

20. Creditors: Amounts falling due after more than one year

	2016	2015
	£000	£000
Bank loan	**216**	263
	216	263

21. Loans

Analysis of the maturity of loans is given below:

	2016 £000	2015 £000
Amounts falling due within one year		
Bank loan	**47**	45
	47	45
Amounts falling due 1-2 years		
Bank loan	**49**	47
	49	47
Amounts falling due 2-5 years		
Bank loan	**167**	216
	167	216
Total		
	263	308

22. Hire purchase & finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016 £000	2015 £000
Within one year	**2**	14
	2	14

23. Deferred taxation

	Deferred tax £000
At 1 April 2015	**359**
Charged to the profit or loss	**(24)**
Utilised in year	**(12)**
At 31 March 2016	**323**

The deferred tax asset is made up as follows:

	2016	2015
	£000	£000
Accelerated capital allowances	**64**	88
Pension surplus	**256**	268
Other timing differences	**3**	3
	323	359

24. Accruals and deferred income

	2016	2015
	£000	£000
Accruals	**894**	403
Deferred income	**808**	760
	1,702	1,163

Deferred income

Deferred Subscriptions Income relates to membership subscriptions received relating to membership periods after 31st March 2016.

25. Reserves

Revaluation reserve

The revaluation reserve contains the surplus arising on the revaluation of long leasehold property.

Profit & loss account

The profit and loss account includes all current and prior period retained profit and losses including the deficit on the defined benefit pension scheme. The company is limited by guarantee and is prohibited by its Articles and Association from distributing surpluses or reserves.

26. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the company in the event of liquidation.

27. Pension commitments

The Company operates a defined benefit pension scheme (DBPS) and a defined contribution scheme for its employees.

Defined contribution scheme

The assets of the scheme are held separately from those of the company in a separately administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £86,000 (2015 - £68,000). Contributions totalling £10,000 were outstanding as at 31st March 2016.

Defined benefit scheme

The assets of the scheme are held separately from those of the company and the pension scheme is administered by the Birmingham C.O.C. Pension Fund Trustee Company Limited.

The DBPS was closed to new entrants on 30th September 2002. In May 2007 BCCI entered into an agreement with the scheme Trustee for future funding of the scheme. The agreement was conditional upon consent received from active members of the scheme to the cessation of accrual of future service benefits with effect from 1st September 2007. Regular contributions by members of the DBPS therefore ceased on that date.

Following a triennial actuarial valuation as at 30th June 2014, a Recovery Plan was agreed with the scheme Trustee based on BCCI contributing at the rate of £138,915 per annum, increasing annually by 5% per annum with the first increase due on 1 April 2016 with the intention of eliminating the scheme's funding deficit by 2022. BCCI also meets the Fund's expenses. The Recovery Plan has been approved by the Pensions Regulator.

The company has adopted Section 38 "Employee Benefits" of Financial Reporting Standard 102. The defined liability has been measured by using the present value of its obligations under defined benefit plans less the fair value at the reporting date of plan assets out of which the obligations are to be settled.

	2016	2015
	£000	£000
Fair value of plan assets	**10,087**	10,724
Present value of plan liabilities	**(11,435)**	(12,066)
Net pension scheme liability	**(1,348)**	(1,342)

The amounts recognised in the income and expenditure account are as follows:

	2016	2015
	£000	£000
Interest on obligation	**(40)**	(55)
Total	**(40)**	(55)

27. *Pension commitments (continued)*

Reconciliation of fair value of plan liabilities were as follow:

	2016 **£000**	2015 £000
Opening defined benefit obligation	**(12,066)**	(10,947)
Interest cost	**(366)**	(470)
Actuarial gains / (losses)	**473**	(1,158)
Benefits paid	**524**	509
Closing defined benefit obligation	**(11,435)**	(12,066)

Reconciliation of fair value of plan assets were as follows:

	2016 **£000**	2015 £000
Opening fair value of scheme assets	**10,724**	9,682
Return on scheme assets excluding interest income	**(578)**	1,001
Contributions by employer	**139**	132
Interest income	**326**	418
Actuarial losses	**(524)**	(509)
	10,087	10,724

The cumulative amount of actuarial gains and losses recognised in the Statement of comprehensive income was £105,000 (2015 - £154,000).

The company expects to contribute £146,000 into the scheme in 2017.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2016 **%**	2015 %
Discount rate	**3.40**	3.10
RPI price inflation	**3.00**	2.90
CPI price inflation	**2.00**	1.90
Rate of increase in payments	**2.90**	2.90
Mortality rates		
- for a male aged 65 now	**22.2**	22.2
- at 65 for a male aged 45 now	**23.6**	23.5
- for a female aged 65 now	**24.2**	24.1
- at 65 for a female member aged 45 now	**25.7**	25.6

27. Pension commitments (continued)

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2016	2015	2014	2013	2012
	£000	£000	£000	£000	£000
Defined benefit obligation	**(11,435)**	(12,066)	(10,947)	(10,891)	(10,225)
Scheme assets	**10,087**	10,724	9,682	9,760	8,995
Deficit	**(1,348)**	(1,342)	(1,265)	(1,131)	(1,230)

28. Commitments under operating leases

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016	2015
	£000	£000
Land and buildings		
Not later than 1 year	**1**	3
Total	**1**	3

	2016	2015
	£000	£000
Other		
Not later than 1 year	**46**	56
Later than 1 year and not later than 5 years	**82**	76
Total	**128**	132

29. Related party transactions

During the year BCCI made sales in the normal course of business and at normal market prices to the following companies which had certain directors or partners who were also directors of BCCI:

	Sales 2016 £000	Purchases 2016 £000	Balance at year end 2016 £000	Sales 2015 £000	Balance at year end 2015 £000
AJN Awan - Awan Marketing	2	-	1	2	-
ST Brittan - BSA Machine Tools Limited	-	-	-	1	1
M Froom - KPMG LLP	-	-	-	18	-
P Kehoe - Birmingham Airport	35	-	4	30	-
G J Lowson - Pinsent Masons	20	-	-	15	-
TSD Pile - Congent Eilliot	2	-	1	2	1
DJ Waller - Nexus Creative	3	(1)	1	2	1
PJ Faulkner - Birmingham Childrens Hospital	21	-	2	-	-
PJ Faulkner - Performances Birmingham Limited	1	(6)	-	-	-
PJ Faulkner & GJ Lowson - Cure Leukaemia	2	-	-	-	-

Other information

A fixed charge over the long leasehold property was granted to the Trustee of the BCCI's defined benefit pension scheme in August 2007.

30. Controlling party

The board considers that due to the board membership of the BCCI, the company has no ultimate controlling party.

31. First time adoption of FRS 102

	Note	As previously stated 1 April 2014 £000	Effect of transition 1 April 2014 £000	**FRS 102 (as restated) 1 April 2014 £000**	As previously stated 31 March 2015 £000	Effect of transition 31 March 2015 £000	**FRS 102 (as restated) 31 March 2015 £000**
Fixed assets		2,855	-	**2,855**	2,961	-	**2,961**
Current assets	1	1,169	253	**1,422**	1,359	268	**1,627**
Creditors: amounts falling due within one year		(1,913)	-	**(1,913)**	(2,055)	-	**(2,055)**
Net current liabilities		(744)	253	**(491)**	(696)	268	**(428)**
Total assets less current liabilities		2,111	253	**2,364**	2,265	268	**2,533**
Creditors: amounts falling due after more than one year		(308)	-	**(308)**	(263)	-	**(263)**
Net pension liability	1	(1,012)	(253)	**(1,265)**	(1,074)	(268)	**(1,342)**
Net assets		791	-	**791**	928	-	**928**
Capital and reserves		791	-	**791**	928	-	**928**

31. First time adoption of FRS 102 (continued)

	Note	As previously stated 31 March 2015 £000	Effect of transition 31 March 2015 £000	**FRS 102 (as restated) 31 March 2015 £000**
Income		6,824	-	**6,824**
		6,824	-	**6,824**
Administrative expenses		(6,588)	-	**(6,588)**
Operating surplus		236	-	**236**
Interest payable and similar charges		(23)	-	**(23)**
Other finance income	1	66	(121)	**(55)**
Taxation		(54)	-	**(54)**
Surplus on ordinary activities after taxation and for the financial year		225	(121)	**104**

Explanation of changes to previously reported profit and equity:

1 The adjustment relates to the pension deficit being accounted for under FRS 102 instead of FRS 17. This has resulted in the pension deficit being grossed up, therefore the deferred tax asset on the pension scheme is now separately shown. The interest on obligation and the expected return have been replaced with the net interest cost on the defined benefit scheme.