

Registered number: 00078731

Birmingham Chamber of Commerce and Industry

Annual Report and Financial Statements

For the Year Ended 31 March 2022



Birmingham Chamber of Commerce and Industry

Company Information

Directors	D J Waller (Chairman) (resigned 27 May 2022) S D Allen (Member appointed) A J N Awan (Vice-President - Member appointed) H E Bates (Chief Financial Officer) H L Brealey (Chief Executive from 1 April 2021) K J Cooke (Co-opted) K George (Member appointed) M Haque (Co-opted) (appointed 23 July 2021) D Wright (Member appointed) P Kehoe (Member appointed) (resigned 19 November 2021) D S Leary (President – Member appointed) G J Lowson (Member appointed) (Chairman from 27 May 2022) A Gill (Member appointed) (appointed 22 July 2022) R Pipkin (Member appointed) (appointed 22 July 2022) S J Purkess (Co-opted) (deceased 22 July 2021) S Thakur (Member appointed) (appointed 8 October 2021) C Blakemore (Member appointed) (appointed 22 July 2022)
Registered number	00078731
Registered office	Chamber of Commerce House 75 Harborne Road Edgbaston Birmingham West Midlands B15 3DH
Independent auditor	Dains Audit Limited 15 Colmore Row Birmingham B3 2BH

Birmingham Chamber of Commerce and Industry

Contents

	Page
Strategic report	1 - 4
Directors' report	5 - 7
Corporate governance	8 - 9
Independent auditor's report	10 - 13
Income statement	14
Statement of comprehensive income	15
Balance sheet	16
Statement of changes in equity	17
Statement of cash flows	18
Analysis of net debt	19
Notes to the financial statements	20 - 38

Strategic Report For the Year Ended 31 March 2022

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:

- Birmingham Chamber of Commerce;
- Asian Business Chamber of Commerce;
- Burton & District Chamber of Commerce;
- Cannock Chase Chamber of Commerce
- Greater Birmingham Commonwealth Chamber of Commerce
- Greater Birmingham Transatlantic Chamber of Commerce.
- Future Faces Chamber of Commerce;
- Lichfield & Tamworth Chamber of Commerce;
- Solihull Chamber of Commerce; and
- Sutton Coldfield Chamber of Commerce;

BCCI 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 received from member and patron subscriptions is very important to BCCI, the services which are provided to members are only partly paid for by that income which represents 37.29% of the total. To add to the membership experience, BCCI provides funded and commercially based business services to its members and customers including international trade and export services supported by the Department for International Trade. BCCI also helps member and non-member businesses by providing export documentation, policy advice and other business services.

Strategy and objectives

BCCI is a business services organisation with members at our heart.

BCCI specialises in helping businesses develop and navigate networks and deliver core services that enable them to:

- Grow their profile and find customers and partners locally
- Trade and build connections internationally
- Innovate and adapt to an ever-changing world
- Keep informed about the latest local business opportunities, support, news and trends
- Develop their workforces and future leaders
- Influence the business environment by representing their interests locally and nationally

BCCI has been in business, for business, for over two centuries and we exist to help local businesses, from start ups to multi-nationals, Be Greater every step of the way.

Our Mission therefore is to Connect, Support and Grow local businesses. Investment in resources to achieve our Mission is at the core of our Business Plan, enabling the Chamber to continually improve services to members through improved customer relations systems and enhanced resources in our Membership and International departments.

**Strategic Report (continued)
For the Year Ended 31 March 2022**

Principal risks and uncertainties

BCCI is a not-for-profit organisation and has to manage its liquidity position carefully. However, strong financial performance over recent years has much improved that position.

The Statement of Cash Flows on page 16 shows that BCCI's cash balances at the end of the year were £2,274,000 (2021: £1,708,000). Net interest paid during the year was £Nil (2021: £3,000).

The funding position of the Final Salary Pension Scheme was accounted for in accordance with Financial Reporting Standard 102 (FRS 102) and the methodology prescribed by the standard produced a gross surplus of £2,467,000 at the year-end (2021: £2,090,000) which under FRS102 cannot be recognised. As a result of the additional substantial contribution to the pension fund from the proceeds of sale, a deferred tax asset of £619,000 was recognised in the prior year.

How the Final Salary Pension Scheme surplus or liability is calculated and reflected in the balance sheet under FRS102 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 value therefore varies over time and the actual funding payments made into the scheme may not align with what is recorded in the accounts. Consequently the directors pay close attention to the ongoing funding cash projections. The Fund Trustees use different funding methodologies.

A full triennial actuarial valuation as at 30 June 2020 was finalised in June 2021 and agreement with the Fund's Trustees was made on future funding within an affordable recovery plan. Contributions of £Nil (2021: £74,000) were paid into the Fund during the year. The Chamber continues to pay the Fund's administration costs.

The Pension Fund surplus is unrecognised in these accounts, and whilst the Fund is not in surplus on an actuarial basis, the Directors of BCCI are pleased to report that the Fund is in a favourable position in terms of sustainability, and BCCI's annual contributions to the scheme ceased in September 2020, under the Agreement on the sale of the leasehold property.

BCCI's main risk, in common with many other SMEs, is IT resilience and cyber security. This is mitigated by our in-house team by investment in physical infrastructure and our planned move to the cloud of on-premise systems, along with continued monitoring and raising awareness with staff, including regular phishing tests and training. A plan for investment in Digital Transformation is underway and will enable improved member marketing & engagement as well as enhancing security and efficiency.

Analysis of performance

Total income for the year of £6,666,000 was up 22% on the previous year. BCCI has many various income streams which performed to expectation during the year, however turnover on Export Documentation in particular increased significantly. This reflects increased volumes and values of carnets for temporary movement to EU destinations, which have only been a requirement since Brexit regulations came into effect in January 2021. The volume of exports to the rest of the world remains depressed or limited to home markets.

Membership & patronage achieved target income in the year, events and other commercial services saw robust sales, and international activity and other public funded activity also performed as anticipated.

Overall BCCI shows positive outcomes across all areas of activity.

Directors were pleased to report a substantial surplus in 2022, and the outlook for the future is positive. BCCI will continue to focus on its offer for members and plans to return to positive net membership growth within the next 12 months.

BCCI's Operating Surplus for 2021/22 was £475,000 compared to £70,000 for 2020/21. The Surplus before tax of £475,000 (2021: £77,000) and was after notional net interest on pension fund liabilities of £Nil (2021: interest of £Nil). A taxation credit of £86,000 on the surplus (2021: credit of £3,000) included a deferred tax credit of £86,000 (2021: charge of £20,000).

**Strategic Report (continued)
For the Year Ended 31 March 2022**

The Board is pleased that BCCI continues to make consistent operating 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 come from improved results in a number of areas, and a sustainable business model has been created, with greater reliance on self-generated income streams, less dependent on any single aspect of the business. The sale of the leasehold property has put BCCI on a sound financial footing into the future, and this will be a robust basis for an updated business plan.

Key performance indicators

The number of members of BCCI is one of our key performance indicators (KPI). At 31 March 2021 the total GBCC membership was 2,690 and at 31 March 2022 it was 2,507, a fall of 7%. This was due to the continuing impact of COVID-19 on member businesses, many of whom continue to face trading difficulties.

With the appointment of a new CEO, Henrietta Brealey, in April 2021, BCCI has refreshed its strategy and a raft of KPIs has been introduced in each area which will help ensure that BCCI meets its objectives over the short and medium term. The five major themes and ambitions identified are:

Customer: be demonstrably on the pulse with understanding, and responding, to our customers' and members' needs and expectations.

Culture: be, and be recognised as, an excellent, diverse and inclusive place to work for and with

Community: create a true, Chamber led business community by:

- generating opportunities for our members to connect with and learn from each other
- representing members at the heart of regional stakeholder decision making
- being clear, effective and engaging in communicating our purpose and expertise as well as our members' stories and views.

Commercial: have further diversified and strengthened our commercial foundations by growing income generated from our membership and key support and services.

Core: have the essential physical and digital infrastructure in place for enabling achievement of the above.

BCCI's senior management team monitor the KPIs frequently 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.

**Strategic Report (continued)
For the Year Ended 31 March 2022**

Values

In order to achieve our mission to Connect, Support and Grow local businesses, BCCI has rolled out its core values to all staff. These are the values we aim to demonstrate:

Collaborative: We value and respect the collective contribution, knowledge, ideas and opinions of others to overcome challenges and achieve results a common purpose.

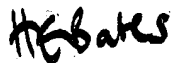
Confident: We take great pride in our work and responsibility for our actions, instilling trust and confidence in one another.

Continuous Improvement: We embrace challenges, innovation, diversity and ingenuity to effectively develop ourselves, develop opportunities and strive for excellence.

Credible: We value our heritage and traditions and act with professionalism and integrity.

Customer Committed: Our customers are at the heart of everything we do. Our extensive knowledge and expertise enable us to provide impartial advice and support. We forge long-term relationships with our customers through communication with clarity.

This report was approved by the board on 22 July 2022 and signed on its behalf.



H E Bates
Director

Birmingham Chamber of Commerce and Industry

Directors' Report For the Year Ended 31 March 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Results and dividends

The surplus for the year, after taxation, amounted to £475,000 (2021 - £70,000).

Directors

The directors who served during the year were:

D J Waller (Chairman) (resigned 27 May 2022)
S D Allen (Member appointed)
A J N Awan (Vice-President - Member appointed)
H E Bates (Chief Financial Officer)
H L Brealey (Chief Executive from 1 April 2021)
K J Cooke (Co-opted)
K George (Member appointed)
M Haque (Co-opted) (appointed 23 July 2021)
P Kehoe (Member appointed) (resigned 19 November 2021)
D S Leary (President – Member appointed)
G J Lowson (Member appointed) (Chairman from 27 May 2022)
S J Purkess (Co-opted) (deceased 22 July 2021)
S Thakur (Member appointed) (appointed 8 October 2021)
D Wright (Member appointed)

The Directors wish to convey their great sadness at the loss of Simon Purkess who was Chair of the Audit Committee from 2018 and made a significant contribution to the Chamber during his tenure.

M Haque (Co-opted) and Sunita Thakur (member-appointed) were appointed to the board on 23 July 2021.

During the year Directors' 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 business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The directors' and strategic reports further describes the financial position of BCCI; its liquidity position; its objectives, policies and processes for managing its capital; and its financial risk management objectives.

BCCI's forecasts and projections show that BCCI will be able to operate for a period of at least 12 months from the date these accounts were approved.

The Directors note that following the sale of the leasehold property in 2020, BCCI holds a significant unrecognised funding surplus on its final salary pension scheme (and the assets of the scheme have increased by a similar amount).

BCCI entered into a new Agreement with the Pension Fund trustees prior to the sale of the leasehold property and the most recent triennial actuarial valuation of the scheme as at 30 June 2020 was agreed in June 2021. Under the new agreement BCCI's annual contributions to the scheme ceased in September 2020.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements. Thus they have concluded that it is reasonable to continue to prepare the financial statements on a going concern basis.

**Directors' Report (continued)
For the Year Ended 31 March 2022**

Future developments

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

BCCI has continued to evidence value-add to business and other stakeholders during this period and has continued to assist member business through the Covid pandemic, the end of the Brexit transition period and with other business challenges.

The sale of the leasehold property and the significant cash contribution to the defined benefit pension scheme has put BCCI on a sound financial footing, and we continue to look for ways to support our member businesses and other customers with the ambition to achieve growth in the longer term.

BCCI's contract with the Department for International Trade for provision of export advice will cease in June 2022 as DIT take this contract in-house. BCCI exited the Stoke & Staffordshire Growth Hub in February 2022 and a second Growth Hub contract between BCCI and the Greater Birmingham & Solihull Local Enterprise Partnership will end as planned in September 2022.

Engagement with employees

The company maintained its practice of consultation and communication with employees both by formal and informal methods.

BCCI's Employee Representative Group meets quarterly and comprises members from all departments. Its primary aim is to capture, utilise and act upon the mutual interests of staff, creating and promoting a positive and inclusive working environment that fosters communication, cooperation and openness.

There is a Diversity and Inclusion sub group which gathers information and provides education to colleagues on events and activities related to Diversity and Inclusion, incorporating amongst other things race, ethnicity, gender, sexual orientation and disability.

Matters covered in the Strategic Report

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

**Directors' Report (continued)
For the Year Ended 31 March 2022**

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's financial statements and then apply them consistently;
- make judgments 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 to 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.

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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 auditor is aware of that information.

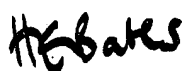
Post balance sheet events

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

Auditor

The directors, having been notified of the cessation of the partnership known as Dains LLP, resolved that Dains Audit Limited be appointed as successor auditor with effect from 11 March 2022. The auditors, Dains Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 July 2022 and signed on its behalf.



H E Bates
Director

BCCI's Board believes that the current 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 region covered by BCCI.

The Board is responsible for establishing and maintaining BCCI's system of financial control. Internal control systems are designed to meet the needs of the company 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 is reviewed in detail at each Board meeting and the Board approves the annual budget in March each year. 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 board carries out annual appraisals for the board as a whole and for individual Directors. 14 Directors served during the year and attendance at meetings was 85% overall.

In 2021 the Board undertook a skills audit and diversity survey and in March 2022 advertised for non-executive directors with specific skills which had been identified in this process.

Following David Waller's retirement as Chairman after nearly 12 years in the role, the position of Chair of BCCI was also advertised. The Board wishes to record its thanks and appreciation to David Waller for his many years of advice, insight and unwavering support of BCCI.

Greg Lowson was appointed as Chair in May 2022 for an initial three-year term.

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 Financial Officer and other senior officers as decided by the Board.

The Appointments Committee led on the recruitment of a new Chair and non-exec Directors in March and April 2022. This resulted in the successful appointment of Greg Lowson as Chair and three new non-exec Directors: Charlie Blakemore, Amardeep Gill and Ruth Pipkin.

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.

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 function.

Following the sad death of Audit Committee Chair Simon Purkess in July 2021, Nasir Awan was appointed Chair of the Committee, with non-exec Director Karl George and a co-opted member Anna Spencer-Grey of RSM UK. During the year the Audit Committee reviewed the BCCI annual budget and the draft audited accounts and recommended both to the board for approval.

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.

The Remuneration Committee met during the year to consider the BCCI pay award for 2022/23 and a bonus framework for all staff based on the performance in the year.

Equality & Diversity

In 2020 the BCCI Board agreed to become an early adopter of the Race Equality Code. The code has been designed by governance expert and BCCI Board member Dr Karl George MBE, and it aims to support boards in advancing race equality and embedding good practice on governance.

BCCI substantially implemented the code during 2021, incorporating inclusion and best practice governance throughout the organisation. Improvements were made in data collection and reporting, in a refresh of policies across the business, and with a staff survey carried out in January 2022. A programme of training was rolled out to all managers in the business, incorporating sessions on diversity, inclusion and respect. We continue to work towards embedding equality and diversity at all levels of BCCI.

Opinion

We have audited the financial statements of Birmingham Chamber of Commerce and Industry (the 'Company') for the year ended 31 March 2022, which comprise the income statement, the statement of comprehensive income, the balance sheet, the statement of cash flows, the statement of changes in equity and the related notes, 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 Financial Reporting Standard 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 2022 and of its profit 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Birmingham Chamber of Commerce and Industry

Independent Auditor's Report to the Members of Birmingham Chamber of Commerce and Industry (continued)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, 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.

**Independent Auditor's Report to the Members of Birmingham Chamber of Commerce and Industry
(continued)**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the membership sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

**Independent Auditor's Report to the Members of Birmingham Chamber of Commerce and Industry
(continued)**

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.



Andrew Morris FCA (senior statutory auditor)

for and on behalf of
Dains Audit Limited

Statutory Auditor
Chartered Accountants

Birmingham

22 July 2022

Birmingham Chamber of Commerce and Industry

Income Statement For the Year Ended 31 March 2022

	Note	2022 £000	2021 £000
Turnover	4	6,666	5,485
Administrative expenses		(6,191)	(5,492)
Other operating income	5	-	77
Operating surplus	6	475	70
Interest receivable and similar income	10	-	10
Interest payable and similar expenses	11	-	(3)
Surplus before tax		475	77
Tax on surplus	12	86	3
Surplus for the financial year		561	80

The notes on pages 20 to 38 form part of these financial statements.

Birmingham Chamber of Commerce and Industry

**Statement of Comprehensive Income
For the Year Ended 31 March 2022**

	Note	2022 £000	2021 £000
Surplus for the financial year		561	80
Other comprehensive income			
Actuarial gain/(loss) on defined benefit schemes	24	338	(1,000)
Pension surplus not recognised	24	(338)	926
Other comprehensive income for the year		-	(74)
Total comprehensive income for the year		561	6

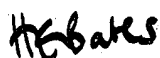
The notes on pages 20 to 38 form part of these financial statements.

Birmingham Chamber of Commerce and Industry
Registered number:00078731

Balance Sheet
As at 31 March 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	13	7	21
Current assets			
Stocks	16	3	1
Debtors	17	2,130	1,882
Cash at bank and in hand	18	2,274	1,708
		<u>4,407</u>	<u>3,591</u>
Creditors: amounts falling due within one year	19	(2,116)	(1,875)
Net current assets		<u>2,291</u>	<u>1,716</u>
Net assets		<u><u>2,298</u></u>	<u><u>1,737</u></u>
Capital and reserves			
Revenue reserves	21	2,298	1,737
		<u><u>2,298</u></u>	<u><u>1,737</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 July 2022.



H E Bates
Director

The notes on pages 20 to 38 form part of these financial statements.

Birmingham Chamber of Commerce and Industry

Statement of Changes in Equity For the Year Ended 31 March 2022

	Revenue reserve £000	Total equity £000
At 1 April 2020	1,731	1,731
Comprehensive income for the year		
Surplus for the year	80	80
Actuarial losses on pension scheme (net of pension surplus not recognised)	(74)	(74)
Other comprehensive income for the year	(74)	(74)
Total comprehensive income for the year	6	6
At 1 April 2021	1,737	1,737
Comprehensive income for the year		
Surplus for the year	561	561
Total comprehensive income for the year	561	561
At 31 March 2022	2,298	2,298

The notes on pages 20 to 38 form part of these financial statements.

Birmingham Chamber of Commerce and Industry

**Statement of Cash Flows
For the Year Ended 31 March 2022**

	2022 £000	2021 £000
Cash flows from operating activities		
Surplus for the financial year	561	80
Adjustments for:		
Depreciation of tangible assets	22	20
Interest paid	-	3
Interest received	-	(10)
Taxation charge	(86)	(3)
(Increase)/decrease in stocks	(2)	-
(Increase)/decrease in debtors	(163)	344
Increase/(decrease) in creditors	243	(814)
Increase/(decrease) in net pension assets/liabs	-	(3,274)
Corporation tax received/(paid)	2	(8)
Net cash generated from operating activities	577	(3,662)
Cash flows from investing activities		
Purchase of tangible fixed assets	(11)	-
Sale of tangible fixed assets	-	4,630
Interest received	-	10
Net cash from investing activities	(11)	4,640
Cash flows from financing activities		
Repayment of loans	-	(59)
Interest paid	-	(3)
Net cash used in financing activities	-	(62)
Net increase in cash and cash equivalents	566	916
Cash and cash equivalents at beginning of year	1,708	792
Cash and cash equivalents at the end of year	2,274	1,708
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,274	1,708
	2,274	1,708

The notes on pages 20 to 38 form part of these financial statements.

Birmingham Chamber of Commerce and Industry

**Analysis of Net Debt
For the Year Ended 31 March 2022**

	At 1 April 2021 £000	Cash flows £000	At 31 March 2022 £000
Cash at bank and in hand	1,708	566	2,274
	<u>1,708</u>	<u>566</u>	<u>2,274</u>

The notes on pages 20 to 38 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

1. General information

Birmingham Chamber of Commerce and Industry is a private 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 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 an individual undertaking and not about its group.

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 business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The directors' and strategic reports further describes the financial position of BCCI; its liquidity position; its objectives, policies and processes for managing its capital; and its financial risk management objectives.

BCCI's forecasts and projections show that BCCI will be able to operate for a period of at least 12 months from the date these accounts were approved.

The Directors note that following the sale of the leasehold property in 2020, BCCI holds a significant unrecognised funding surplus on its final salary pension scheme (and the assets of the scheme have increased by a similar amount).

BCCI entered into a new Agreement with the Pension Fund trustees prior to the sale of the leasehold property and the most recent triennial actuarial valuation of the scheme as at 30 June 2020 was agreed in June 2021. Under the new agreement BCCI's annual contributions to the scheme ceased in September 2020.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements. Thus they have concluded that it is reasonable to continue to prepare the financial statements on a going concern basis.

Notes to the Financial Statements
For the Year Ended 31 March 2022

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.

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:

Fixtures and fittings	- 5 - 10 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 in profit or loss.

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

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

2.6 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.

2.7 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.

2.8 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.

2.9 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. The Company currently does not hold any cash equivalents.

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. Accounting policies (continued)

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.11 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.

2.12 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 profit or loss 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.

2.13 Foreign currency translation

The Company's functional and presentational currency is GBP.

The Company's financial statements are rounded to the nearest £000.

2.14 Finance costs

Finance costs are charged to the income statement 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 payment 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. If the present value of the defined benefit obligation at the balance sheet date is less than the fair value of plan assets at that date, the plan has a surplus. The company shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Actuarial gains and losses are recognised in reserves in the year in which they arise. Past-service costs are recognised immediately in the income statement, 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 statement using the effective interest method.

2.17 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 profit or loss 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. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge 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.

2.19 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred.

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 benefit 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.

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

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.

An analysis of turnover by class of business is as follows:

	2022	2021
	£000	£000
Membership & Patrons	1,926	2,014
Other commercial services	468	320
Rental income	38	358
International activity: public funded	326	191
International activity: other	3,266	1,796
Other public funded activity	642	806
	6,666	5,485

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

5. Other operating income

	2022	2021
	£000	£000
Government grants receivable	-	77

The company has been eligible to claim from the government support schemes in response to the Covid-19 outbreak.

The company furloughed certain staff under the government's Coronavirus Job Retention Scheme (CJRS). The funding received of £77,000 in the prior year relates to claims made in respect of the year.

6. Operating surplus

The operating surplus is stated after charging/(crediting):

	2022	2021
	£000	£000
Depreciation of tangible fixed assets	25	20
Exchange differences	2	2
Operating lease rentals - motor vehicles	-	14
Operating lease rentals - other	16	20
Defined contribution pension cost	109	115

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

7. Auditor's remuneration

	2022 £000	2021 £000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	14	14
Fees payable to the Company's auditor in respect of:		
Taxation compliance services	2	2
	2	2

8. Employees

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

	2022 £000	2021 £000
Wages and salaries	3,068	3,331
Social security costs	300	318
Cost of defined contribution scheme	109	115
	3,477	3,764

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

	2022 No.	2021 No.
Employees	82	92

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

9. Directors' remuneration

	2022	2021
	£000	£000
Directors' emoluments	398	378
Company contributions to defined contribution pension schemes	14	17
	412	395

During the year retirement benefits were accruing to 4 directors (2021 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £130,000 (2021 - £175,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,000 (2021 - £9,000).

10. Interest receivable

	2022	2021
	£000	£000
Other interest receivable	-	10
	-	10

11. Interest payable and similar expenses

	2022	2021
	£000	£000
Bank interest payable	-	3

Notes to the Financial Statements
For the Year Ended 31 March 2022

12. Taxation

	2022 £000	2021 £000
Corporation tax		
Adjustments in respect of previous periods	-	(23)
Total current tax	<u>-</u>	<u>(23)</u>
Deferred tax		
Origination and reversal of timing differences	109	20
Changes to tax rates	(195)	-
Total deferred tax	<u>(86)</u>	<u>20</u>
Taxation on surplus	<u>(86)</u>	<u>(3)</u>

Notes to the Financial Statements
For the Year Ended 31 March 2022

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Surplus before tax	475	77
Surplus multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	90	15
Effects of:		
Expenses not deductible for tax purposes	1	3
Utilisation of tax losses	-	7
Adjustments to tax charge in respect of prior periods	-	(23)
Other timing differences	(4)	(5)
Remeasurement of deferred tax for changes in tax rates	(173)	-
Total tax charge for the year	(86)	(3)

Factors that may affect future tax charges

The company has tax losses of £2,245,000 (2021: £1,913,000) that are available indefinitely for offset against future taxable profits on those activities from which the losses arose. Deferred tax assets have not been recognised in respect of some of these losses as some have arisen from activities that have a marginal future profitability. In addition, the company has capital losses of £122,283 (2021: £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.

The rate of tax applied to the reported profit is 19.00% (2021: 19.00%).

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. The proposal to increase the rate to 25% had been substantively enacted at the company's balance sheet date, therefore its effects have been included in these financial statements.

Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

There is no expiry date on timing differences, unused tax losses or tax credits.

Notes to the Financial Statements
For the Year Ended 31 March 2022

13. Tangible fixed assets

	Computers & fixtures £000
Cost	
At 1 April 2021	96
Additions	11
At 31 March 2022	<u>107</u>
Depreciation	
At 1 April 2021	75
Charge for the year on owned assets	25
At 31 March 2022	<u>100</u>
Net book value	
At 31 March 2022	<u>7</u>
At 31 March 2021	<u>21</u>

14. 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 Birmingham & Solihull Link DBS Trustee Limited. The company was dormant throughout the year.

15. Other investments

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 the Department of International Trade (DIT) (formerly UK Trade & Investment). WMCC's group reserves at 31 March 2022 were £532,000 (2021: £532,000) of which BCCI's share was £88,000 (2021: £88,000).

Birmingham Chamber of Commerce holds 10% of the issued share capital in One Midlands Limited, a dormant company incorporated in England and Wales.

Notes to the Financial Statements
For the Year Ended 31 March 2022

16. Stocks

	2022 £000	2021 £000
Finished goods and goods for resale	3	1
	<u>3</u>	<u>1</u>

17. Debtors

	2022 £000	2021 £000
Trade debtors	1,218	1,000
Other debtors	10	12
Prepayments and accrued income	197	251
Deferred taxation	705	619
	<u>2,130</u>	<u>1,882</u>

18. Cash and cash equivalents

	2022 £000	2021 £000
Cash at bank and in hand	2,274	1,708
	<u>2,274</u>	<u>1,708</u>

19. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	192	198
Other taxation and social security	276	286
Other creditors	406	268
Accruals and deferred income	1,242	1,123
	<u>2,116</u>	<u>1,875</u>

Deferred income includes membership and patron subscriptions received relating to periods after 31 March 2022. Income in advance relates to Innovate UK and other project funding.

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

20. Deferred taxation

	2022 £000	2021 £000
At beginning of year - asset	619	639
Charged to income statement	86	(20)
At end of year - asset	705	619

The deferred tax asset is made up as follows:

	2022 £000	2021 £000
Accelerated capital allowances	23	21
Tax losses carried forward	390	156
Short term timing differences	292	442
	705	619

21. Reserves

Revenue reserve

The revenue reserve includes all current and prior period surpluses including the unrecognised asset 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.

22. 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.

23. Capital commitments

At 31 March 2022 the Company had capital commitments as follows:

	2022 £000	2021 £000
Contracted for but not provided in these financial statements	75	-
	75	-

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

24. 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 an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £109,000 (2021: £115,000). Contributions totalling £21,000 were outstanding as at 31 March 2022 (2021: £19,000).

The company operates a Defined benefit pension 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 30 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 1 September 2007. Regular contributions by members of the DBPS therefore ceased on that date.

A new agreement was signed in 2020 which superseded the 2007 Agreement; this confirmed the arrangements for a significant contribution to the pension scheme following the sale of the leasehold property in October 2020. This allowed BCCI to cease making regular contributions from October 2020 until completion of the next triennial revaluation in 2023.

BCCI also meets the Fund's expenses. The next triennial actuarial valuation as at 30 June 2020 was approved by pension fund trustees on 16 June 2021 and by BCCI board on 23 July 2021.

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.

Reconciliation of present value of plan liabilities:

	2022 £000	2021 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	11,945	10,880
Interest cost	222	240
Actuarial (gains)/losses	(466)	1,701
Benefits paid	(546)	(876)
At the end of the year	11,155	11,945

Notes to the Financial Statements
For the Year Ended 31 March 2022

24. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2022 £000	2021 £000
At the beginning of the year	14,035	13,827
Actuarial losses)/gains	(128)	701
Interest income	261	309
Contributions	-	74
Benefits paid	(546)	(876)
Derecognition of surplus	(2,467)	(2,090)
At the end of the year	11,155	11,945

Composition of plan assets:

	2022 £000	2021 £000
Equities	39	33
Cash	3,313	3,398
Diversified	2,965	2,909
LDI	7,305	7,695
Derecognition of surplus	(2,467)	(2,090)
Total plan assets	11,155	11,945

	2022 £000	2021 £000
Fair value of plan assets	11,155	11,945
Present value of plan liabilities	(11,155)	(11,945)
Net pension scheme liability	-	-

Total

Actual return on scheme assets	133	1,010
	133	1,010

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

24. Pension commitments (continued)

The pension scheme surplus of £2,467,000 (2021: £2,090,000) cannot be recognised under Financial Reporting Standard 102 as BCCI is unable to recover the surplus through refunds from the plan.

The company expects to contribute £NIL to its Defined benefit pension scheme in 2023.

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

	2022	2021
	%	%
Discount rate	2.7	1.9
RPI Price inflation	3.9	3.3
CPI Price inflation	3.2	2.6
Rate of increases in payments	3.7	3.2
Mortality rates		
- for a male aged 65 now	21.8	21.8
- at 65 for a male aged 45 now	24.2	22.8
- for a female aged 65 now	22.8	24.1
- at 65 for a female member aged 45 now	25.3	25.3

Notes to the Financial Statements
For the Year Ended 31 March 2022

24. Pension commitments (continued)

Assumed healthcare cost trend rates have a significant effect on the amounts recognised in profit or loss. A one percentage point change in assumed healthcare cost trend rates would have the following effects:

	2021 £000	2020 £000
Discount rate before and after retirement decrease by 0.1% pa	150	171
Inflation increased by 0.1% pa	(70)	(105)
Agre rating of -1 applied	(401)	(445)
10% fall in the value of equities held by the fund	-301	-294

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

Defined benefit pension schemes

	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000
Defined benefit obligation	(11,155)	(11,945)	(10,880)	(11,087)	(11,535)
Unrecognised past service cost	13,622	14,035	13,827	11,117	11,166
Surplus/(deficit)	2,467	2,090	2,947	30	(369)

25. Commitments under operating leases

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £000	2021 £000
Land and buildings		
Not later than 1 year	151	151
Later than 1 year and not later than 5 years	378	529
	529	680
	2022 £000	2021 £000
Other		
Not later than 1 year	-	23
Later than 1 year and not later than 5 years	-	3
	-	26

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

26. 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 2022 £000	Purchases 2022 £000	Balance at year end 2022 £000	Net sales/ (purchases) 2021 £000	Balance at year end 2021 £000
AJN Awan - Awan Marketing	1	-	-	1	-
S Purkess - KPMG LLP	-	-	-	4	5
G J Lowson - Pinsent Masons	14	-	-	(3)	-
H E Bates - St Basils	2	-	-	1	-
D J Waller - Delami Investments Limited	-	12	-	(12)	-
H E Bates - Millenium Point Trust	14	-	-	14	-
K A George - The Governance Forum Limited	-	5	-	-	-
P J Faulkner - Performances Birmingham Limited	-	-	-	1	-
P J Faulkner - Birmingham Sport and Physical Activity Trust	-	-	-	1	-
P J Faulkner & G J Lowson - Cure Leukaemia	-	-	-	1	-
K A George - RSM UK Tax and Advisory Services LLP	18	-	-	-	-
S D Allen - Mills & Reeve LLP	16	-	-	4	-
D R Wright - Wrights Restaurants Limited	18	-	-	-	-
D Leary - Forensic Pathways Ltd	1	-	-	1	-
	<u>84</u>	<u>17</u>	<u>-</u>	<u>13</u>	<u>5</u>

Key Management compensation

The Key Management personnel of the Company received total compensation of £412,000 (2021: £473,000) during the year.

27. Controlling party

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