

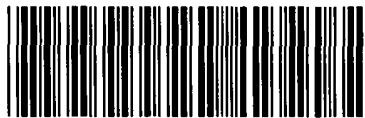
---

**Birmingham Chamber of Commerce and Industry**

Annual Report and Financial Statements

For the Year Ended 31 March 2021

THURSDAY



\*AAB7ZQ15\*

A16

19/08/2021

#322

COMPANIES HOUSE

 **DAINS**  
ACCOUNTANTS

## Birmingham Chamber of Commerce and Industry

### Company Information

---

#### Directors

D J Waller (Chairman)  
S D Allen (President – Member appointed)  
A J N Awan (Junior Vice-President - Member appointed)  
H E Bates (Chief Financial Officer)  
H L Brealey (Chief Executive from 1 April 2021)  
K J Cooke (Co-opted)  
P J Faulkner (Chief Executive) (resigned 31 March 2021)  
K George (Member appointed) (appointed 29 January 2021)  
M Haque (Co-opted) (appointed 23 July 2021)  
P Kehoe (Member appointed)  
D S Leary (Senior Vice-President – Member appointed)  
G J Lowson (Member appointed)  
E L McKenzie (Co-opted) (resigned 26 March 2021)  
T S D Pile (Member appointed) (resigned 25 September 2020)  
S J Purkess (Co-opted)  
D Wright (Member appointed) (appointed 24 July 2020)

---

#### 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**

## **Contents**

---

	Page
<b>Strategic report</b>	1 - 3
<b>Directors' report</b>	4 - 6
<b>Corporate governance</b>	7
<b>Independent auditors' report</b>	8 - 10
<hr/>	
<b>Income statement</b>	11
<b>Statement of comprehensive income</b>	12
<b>Balance sheet</b>	13
<b>Statement of changes in equity</b>	14 - 15
<b>Statement of cash flows</b>	16
<b>Analysis of net debt</b>	17
<b>Notes to the financial statements</b>	18 - 37

## **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% 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. The Group 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. 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. 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.

## **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.

On 11 March 2020 BCCI achieved unconditional completion of the sale of its leasehold property, Chamber House. The transaction completed and sale proceeds were received on 19 October 2020 and it involved an Agreement with the Pension Fund which held a charge over the building, to make a substantial contribution to the Fund from the proceeds of sale. BCCI has therefore minimised its two major risks, the long-term maintenance of the building and the final salary pension scheme.

**Strategic Report (continued)  
For the Year Ended 31 March 2021**

---

The Statement of Cash Flows on page 16 shows that BCCI's cash balances at the end of the year were £1,708,000 (2020: £792,000). Net interest paid during the year was £3,000 (2020: £5,000).

In the prior year 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 £2,947,000 at the year-end, 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 has been recognised (2020: asset of £639,000).

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 £74,000 (2020: £169,000) 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.

**Analysis of performance**

Total income for the year of £5,485,000 was down 26% from the previous year. An analysis of income is set out in note 4. The reduction in turnover was as a result of the sale of the leasehold property and planned changes in funded contracts, as well as the COVID-19 pandemic. The change in role of BCCI from landlord to leaseholder in October 2020 had a consequent reduction in rental income year on year. BCCI entered into a partnership agreement with GBSLEP Growth Hub in October 2019; BCCI had previously been the accountable body and this also reduced turnover and results in the year were on budget.

The move of events from physical to virtual during the lockdown and Government restrictions impacted income and costs equally, and COVID impacted most directly on membership activity, with members in certain sectors such as hospitality, entertainment and aviation particularly hard hit.

Directors were pleased to report a small surplus in 2021 given the changes above, and the outlook for the future is positive. BCCI will continue to focus on its offer for members and hopes to return to positive net growth within the next financial year.

BCCI's Operating Surplus for 20/21 was £70,000 compared to £314,000 for 2019/20. The Surplus before tax of £77,000 (2020: £1,708,000), which in the prior year included a surplus on disposal of the leasehold property of £1,396,000, and was after notional net interest on pension fund liabilities of £nil (2020: interest of £3,000). A taxation credit of £3,000 on the surplus (2020: charge of £25,000) included a deferred tax charge of £20,000 (2020: charge of £10,000).

The Statement of Comprehensive income on page 12 shows the impact of the movements relating to the Pension Fund on the surplus of £1,683,000 in the prior financial year, leading to a reduction in total comprehensive income. Despite a gain on disposal of the property, the agreed contribution to the Pension Fund creates a surplus which cannot be recognised in the accounts and therefore total reserves reduce by £1,081,000 to £1,731,000.

The proceeds from the sale of the leasehold property on 19 October 2020 and the agreed contribution to the Pension Fund were accounted in 2019/20 and were included within Debtors (note 18) and Creditors (note 20) respectively.

**Strategic Report (continued)  
For the Year Ended 31 March 2021**

---

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 2020 the total GBCC membership was 3,193 and at 31 March 2021 it was 2,690, a fall of 16%. This was due to the impact of COVID-19 on member businesses, many of whom were unable to trade through much of the year.

Other KPIs are identified each year as part of the business planning process. 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. KPIs monitor activities in Membership, International and Marketing as well as financial results.

**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 23 July 2021 and signed on its behalf.



---

**H E Bates**  
Director

**Directors' Report  
For the Year Ended 31 March 2021**

---

The directors present their report and the financial statements for the year ended 31 March 2021.

**Results and dividends**

The surplus for the year, after taxation, amounted to £77,000 (2020 - £1,683,000). The reduction in surplus in the year is as a result of the disposal of the leasehold property in the prior year.

**Directors**

The directors who served during the year were:

---

D J Waller (Chairman)  
S D Allen (President – Member appointed)  
A J N Awan (Junior Vice-President - Member appointed)  
H E Bates (Chief Financial Officer)  
H L Brealey (Chief Executive from 1 April 2021)  
K J Cooke (Co-opted)  
P J Faulkner (Chief Executive) (resigned 31 March 2021)  
K George (Member appointed) (appointed 29 January 2021)  
P Kehoe (Member appointed)  
D S Leary (Senior Vice-President – Member appointed)  
G J Lowson (Member appointed)  
E L McKenzie (Co-opted) (resigned 26 March 2021)  
T S D Pile (Member appointed) (resigned 25 September 2020)  
S J Purkess (Co-opted) (deceased 22 July 2021)  
D Wright (Member appointed) (appointed 24 July 2020)

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) was 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; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

BCCI's forecasts and projections, taking account of possible changes in trading performance as a result of the Covid-19 pandemic, show that the BCCI will be able to operate within its current bank overdraft facility of £100,000 for a period of at least 12 months from the date these accounts were approved. This facility is uncommitted in nature but was agreed with the BCCI's bankers in 2015 following a review of future borrowing needs which resulted in the arrangement of a £350,000 loan which was fully repaid in March 2021.

The Directors also note that following the sale of the leasehold property, 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 next 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

**Directors' Report (continued)  
For the Year Ended 31 March 2021**

---

financial statements. Thus they have concluded that it is reasonable to continue to prepare the financial statements on a going concern basis.

**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.

In the wake of the impact of the Covid-19 pandemic and the UK government's lockdowns in 2020 and 2021, the Directors have taken appropriate action with the company continuing to trade, and only a small number of employees were placed "on furlough" for a time, with claims being made under the government's Coronavirus Job Retention Scheme. The final claim was made in March 2021.

BCCI has continued to evidence value-add to business and other stakeholders during this period and will continue 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.

**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.

**Engagement with employees**

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

**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 2021**

---

**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 the director is aware, there is no relevant audit information of which the Company's auditors are 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 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, Dains LLP were reappointed as the Company's auditors. Dains LLP have expressed their willingness to continue in office and will be proposed for reappointed in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 July 2021 and signed on its behalf.



---

**H E Bates**  
Director

**Corporate Governance  
For the Year Ended 31 March 2021**

---

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 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 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.

**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.

**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 has undergone an initial assessment of policies, practices and procedures and the results will be implemented during 2021. The intention is to effect real change in the area of race equality in the workforce.

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

---

**Opinion**

We have audited the financial statements of Birmingham Chamber of Commerce and Industry (the 'Company') for the year ended 31 March 2021, 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 2021 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 Auditors' 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.

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our auditors' 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.

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

---

**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 5, 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.

**Auditors' 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.

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 auditors' 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.

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

---

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:

- Enquiry of management around actual and potential litigation and claims;
- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' 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 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.



Andrew Morris FCA (senior statutory auditor)

for and on behalf of  
**Dains LLP**

Statutory Auditor  
Chartered Accountants

15 Colmore Row  
Birmingham  
B3 2BH

23 July 2021

# Birmingham Chamber of Commerce and Industry

## Income Statement For the Year Ended 31 March 2021

	Note	2021 £000	2020 £000
Turnover	4	5,485	7,408
Administrative expenses		(5,492)	(7,094)
Other operating income	5	77	-
<b>Operating surplus</b>	6	<b>70</b>	<b>314</b>
Surplus on disposal of leasehold property		-	1,396
Interest receivable and similar income	10	10	-
Interest payable and similar expenses	11	(3)	(5)
Other finance income		-	3
<b>Surplus before tax</b>		<b>77</b>	<b>1,708</b>
Tax on surplus	13	3	(25)
<b>Surplus for the financial year</b>		<b>80</b>	<b>1,683</b>

The notes on pages 18 to 37 form part of these financial statements.

**Birmingham Chamber of Commerce and Industry**

**Statement of Comprehensive Income  
For the Year Ended 31 March 2021**

	<b>Note</b>	<b>2021 £000</b>	<b>2020 £000</b>
Surplus for the financial year		<b>80</b>	1,683
<b>Other comprehensive income</b>			
Actuarial loss on defined benefit schemes	24	<b>(1,000)</b>	(455)
Pension surplus not recognised	24	<b>926</b>	(2,917)
Movement on deferred tax relating to pension gains		-	608
<b>Other comprehensive income for the year</b>		<b>(74)</b>	(2,764)
<b>Total comprehensive income for the year</b>		<b>6</b>	(1,081)

The notes on pages 18 to 37 form part of these financial statements.

**Birmingham Chamber of Commerce and Industry**  
**Registered number:00078731**

**Balance Sheet**  
**As at 31 March 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	14	21	41
<b>Current assets</b>			
Stocks	17	1	1
Debtors	18	1,882	6,868
Cash at bank and in hand	19	1,708	792
		<b>3,591</b>	<b>7,661</b>
Creditors: amounts falling due within one year	20	(1,875)	(5,971)
<b>Net current assets</b>		<b>1,716</b>	<b>1,690</b>
<b>Total assets less current liabilities being net assets</b>		<b>1,737</b>	<b>1,731</b>
<b>Capital and reserves</b>			
Revenue reserves	22	1,737	1,731
		<b>1,737</b>	<b>1,731</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 July 2021.

*H E Bates*

**H E Bates**  
Director

The notes on pages 18 to 37 form part of these financial statements.



**Birmingham Chamber of Commerce and Industry**

**Statement of Changes in Equity  
For the Year Ended 31 March 2021**

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

The notes on pages 18 to 37 form part of these financial statements.

**Statement of Changes in Equity  
For the Year Ended 31 March 2020**

	Revaluation reserve	Revenue reserve	Total equity
	£000	£000	£000
At 1 April 2019	927	1,885	2,812
<b>Comprehensive income for the year</b>			
Surplus for the year	-	1,683	1,683
Actuarial losses on pension scheme (net of pension surplus not recognised)	-	(3,372)	(3,372)
Deferred tax movements relating to pension contribution	-	608	608
Transfer on disposal of property	(927)	927	-
<b>Other comprehensive income for the year</b>	(927)	(1,837)	(2,764)
<b>Total comprehensive income for the year</b>	(927)	(154)	(1,081)
<b>At 31 March 2020</b>	-	1,731	1,731

The notes on pages 18 to 37 form part of these financial statements.

**Statement of Cash Flows**  
**For the Year Ended 31 March 2021**

	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
<b>Cash flows from operating activities</b>		
Surplus for the financial year	80	1,683
<b>Adjustments for:</b>		
Depreciation of tangible assets	20	128
Net interest on defined benefit pension liability	-	(3)
Surplus on disposal of leasehold	-	(1,557)
Interest paid	3	5
Interest received	(10)	-
Taxation charge	(3)	25
Decrease in stocks	-	3
Decrease/(increase) in debtors	344	(109)
(Decrease)/increase in creditors	(814)	154
Pension contributions	(3,274)	(169)
Corporation tax received	(8)	8
<b>Net cash generated from operating activities</b>	<b>(3,662)</b>	<b>168</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	-	(115)
Sale of tangible fixed assets	4,630	120
Interest received	10	-
<b>Net cash from investing activities</b>	<b>4,640</b>	<b>5</b>
<b>Cash flows from financing activities</b>		
Repayment of loans	(59)	(55)
Interest paid	(3)	(5)
<b>Net cash used in financing activities</b>	<b>(62)</b>	<b>(60)</b>
<b>Net increase in cash and cash equivalents</b>	<b>916</b>	<b>113</b>
Cash and cash equivalents at beginning of year	792	679
<b>Cash and cash equivalents at the end of year</b>	<b>1,708</b>	<b>792</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	1,708	792
	<b>1,708</b>	<b>792</b>

The notes on pages 18 to 37 form part of these financial statements.

**Birmingham Chamber of Commerce and Industry**

**Analysis of Net Debt  
For the Year Ended 31 March 2021**

---

	<b>At 1 April 2020 £000</b>	<b>Cash flows £000</b>	<b>At 31 March 2021 £000</b>
Cash at bank and in hand	792	916	1,708
Debt due within 1 year	(59)	59	-
	<u>733</u>	<u>975</u>	<u>1,708</u>

---

The notes on pages 18 to 37 form part of these financial statements.

**Notes to the Financial Statements  
For the Year Ended 31 March 2021**

---

**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; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

BCCI's forecasts and projections, taking account of possible changes in trading performance as a result of the Covid-19 pandemic, show that the BCCI will be able to operate within its current bank overdraft facility of £100,000 for a period of at least 12 months from the date these accounts were approved. This facility is uncommitted in nature but was agreed with the BCCI's bankers in 2015 following a review of future borrowing needs which resulted in the arrangement of a £350,000 which was fully repaid in March 2021.

The Directors also note that following the sale of the leasehold property, 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 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.

**2. Accounting policies (continued)**

**2.2 Going concern (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.

**Notes to the Financial Statements  
For the Year Ended 31 March 2021**

---

**2. Accounting policies (continued)**

**2.4 Tangible fixed assets (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:

---

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.

**2.5 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.

**2.10 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of

**Notes to the Financial Statements  
For the Year Ended 31 March 2021**

---

**2. Accounting policies (continued)**

**2.10 Financial instruments (continued)**

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 Borrowing costs**

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

**Notes to the Financial Statements  
For the Year Ended 31 March 2021**

---

**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 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.

**2.19 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.

**2.20 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.

**Notes to the Financial Statements  
For the Year Ended 31 March 2021**

---

**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.

**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:

	2021 £000	2020 £000
Membership & Patrons	2,014	2,247
Other commercial services	320	721
Rental income	358	728
International activity: public funded	191	531
International activity: other	1,796	2,157
Other public funded activity	806	1,024
	<hr/> 5,485	<hr/> 7,408

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

**Notes to the Financial Statements  
For the Year Ended 31 March 2021**

**5. Other operating income**

	2021 £000	2020 £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 relates to claims made in respect of the year.

**6. Operating surplus**

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

	2021 £000	2020 £000
Research & development charged as an expense	-	73
Depreciation of tangible fixed assets	20	128
Exchange differences	2	5
Operating lease rentals - motor vehicles	14	23
Operating lease rentals - other	-	20
Defined contribution pension cost	115	148

**7. Auditors' remuneration**

	2021 £000	2020 £000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	14	13

**Fees payable to the Company's auditor in respect of:**

Taxation compliance services	2	2
	2	2

**Notes to the Financial Statements  
For the Year Ended 31 March 2021**

**8. Employees**

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

	<b>2021 £000</b>	<b>2020 £000</b>
Wages and salaries	3,331	3,372
Social security costs	318	353
Cost of defined contribution scheme	115	148
	<b>3,764</b>	<b>3,873</b>

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

	<b>2021 No.</b>	<b>2020 No.</b>
Employees	92	99

**9. Directors' remuneration**

	<b>2021 £000</b>	<b>2020 £000</b>
Directors' emoluments	378	458
Company contributions to defined contribution pension schemes	17	24
	<b>395</b>	<b>482</b>

During the year retirement benefits were accruing to 4 directors (2020 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £175,000 (2020 - £165,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,000 (2020 - £9,000).

**10. Interest receivable**

	<b>2021 £000</b>	<b>2020 £000</b>
Other interest receivable	10	-
	<b>10</b>	<b>-</b>

**Notes to the Financial Statements  
For the Year Ended 31 March 2021**

**11. Interest payable and similar expenses**

	2021 £000	2020 £000
Bank interest payable	3	5
	<u>3</u>	<u>5</u>

**12. Other finance income**

	2021 £000	2020 £000
Net interest on net defined benefit liability	-	3
	<u>-</u>	<u>3</u>

**13. Taxation**

	2021 £000	2020 £000
<b>Corporation tax</b>		
Current tax on profits for the year	-	23
Adjustments in respect of previous periods	(23)	(8)
<b>Total current tax</b>	<u>(23)</u>	<u>15</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	20	15
Changes to tax rates	-	(5)
<b>Total deferred tax</b>	<u>20</u>	<u>10</u>
<b>Taxation on surplus</b>	<u>(3)</u>	<u>25</u>

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2021**

**13. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
Surplus before tax	<b>77</b>	1,708
Surplus multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	<b>15</b>	331
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>3</b>	13
Utilisation of tax losses	<b>7</b>	-
Adjustments to tax charge in respect of prior periods	<b>(23)</b>	(8)
Deferred tax credited directly to equity	-	(38)
Other timing differences	<b>(5)</b>	23
Research and development tax credit	-	(14)
Capital gains	-	(282)
<b>Total tax charge for the year</b>	<b>(3)</b>	25

**Factors that may affect future tax charges**

The company has tax losses of £1,899,802 (2020: £1,077,608) 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 (2020: £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% (2019: 19.00%). The rate of tax as introduced in the Finance Bill 2020 will remain unchanged for the financial year 2022.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since this proposal does not change the current corporation tax rate for the next 12 months, there is no impact on this year's 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 2021**

**14. Tangible fixed assets**

	<b>Computers &amp; fixtures £000</b>
<b>Cost</b>	
At 1 April 2020	96
At 31 March 2021	96
<b>Depreciation</b>	
At 1 April 2020	55
Charge for the year on owned assets	20
At 31 March 2021	75
<b>Net book value</b>	
At 31 March 2021	21
At 31 March 2020	41

**15. 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.

**16. 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 2021 were £454,000 (2020: £454,000) of which BCCI's share was £72,000 (2020: £72,000).

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 2021**

**17. Stocks**

	2021 £000	2020 £000
Finished goods and goods for resale	1	1

**18. Debtors**

	2021 £000	2020 £000
Trade debtors	1,000	1,220
Other debtors	12	4,642
Prepayments and accrued income	251	367
Deferred taxation	619	639
	<u>1,882</u>	<u>6,868</u>

**19. Cash and cash equivalents**

	2021 £000	2020 £000
Cash at bank and in hand	1,708	792

**20. Creditors: Amounts falling due within one year**

	2021 £000	2020 £000
Bank loans	-	59
Trade creditors	198	494
Corporation tax	-	23
Other taxation and social security	286	322
Other creditors	268	157
Accruals and deferred income	1,123	4,916
	<u>1,875</u>	<u>5,971</u>

Deferred income includes membership and patron subscriptions received relating to periods after 31 March 2021. Income in advance relates to Innovate UK and other project funding.

**Secured creditors**

The bank loan is secured by a fixed and floating charge over certain of the company's assets. The loan was fully repaid in March 2021.

Notes to the Financial Statements  
For the Year Ended 31 March 2021

21. Deferred taxation

	2021 £000	2020 £000
At beginning of year - asset	639	41
Charged to income statement	(20)	(10)
Released from other comprehensive income	-	608
<b>At end of year - asset</b>	<b>619</b>	<b>639</b>

The deferred tax asset is made up as follows:

	2021 £000	2020 £000
Accelerated capital allowances	21	24
Tax losses carried forward	156	-
Short term timing differences	442	615
	<b>619</b>	<b>639</b>

22. 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.

23. 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.

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 £115,000 (2020: £148,000). Contributions totalling £19,000 were outstanding as at 31 March 2021 (2020: £35,000).

**Notes to the Financial Statements  
For the Year Ended 31 March 2021**

**24. Pension commitments (continued)**

**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:

	2021 £000	2020 £000
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	10,880	11,087
Interest cost	240	270
Actuarial losses	1,701	118
Benefits paid	(876)	(595)
<b>At the end of the year</b>	<b>11,945</b>	<b>10,880</b>

Notes to the Financial Statements  
For the Year Ended 31 March 2021

**24. Pension commitments (continued)**

Reconciliation of present value of plan assets:

	2021 £000	2020 £000
At the beginning of the year	13,827	11,117
Actuarial gains/(losses)	701	(337)
Interest income	309	273
Contributions	74	3,369
Benefits paid	(876)	(595)
Derecognition of surplus	(2,090)	(2,947)
<b>At the end of the year</b>	<b>11,945</b>	<b>10,880</b>

Composition of plan assets:

	2021 £000	2020 £000
Equities	33	2,031
Bonds	-	2,313
Cash	3,398	5,311
Diversified	2,909	1,754
LDI	7,695	2,418
Derecognition of surplus	(2,090)	(2,947)
<b>Total plan assets</b>	<b>11,945</b>	<b>10,880</b>

	2021 £000	2020 £000
Fair value of plan assets	11,945	10,880
Present value of plan liabilities	(11,945)	(10,880)
<b>Net pension scheme liability</b>	<b>-</b>	<b>-</b>

The amounts recognised in profit or loss are as follows:

	2021 £000	2020 £000
Interest on obligation	-	3
<b>Total</b>	<b>-</b>	<b>3</b>

Notes to the Financial Statements  
For the Year Ended 31 March 2021

**24. Pension commitments (continued)**

The pension scheme surplus of £2,090,000 (2020: £2,947,000) 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 2022.

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

	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
Discount rate	<b>1.9</b>	2.3
RPI Price inflation	<b>3.3</b>	2.9
CPI Price inflation	<b>2.6</b>	1.9
Rate of increases in payments	<b>3.2</b>	2.9
Mortality rates		
- for a male aged 65 now	<b>21.8</b>	21.4
- at 65 for a male aged 45 now	<b>22.8</b>	22.4
- for a female aged 65 now	<b>24.1</b>	23.3
- at 65 for a female member aged 45 now	<b>25.3</b>	24.5

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2021**

**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:

	2020 £000	2019 £000
Discount rate before and after retirement decrease by 0.1% pa	171	160
Inflation increased by 0.1% pa	105	100
Agre rating of -1 applied	445	345
10% fall in the value of equities held by the fund	-294	-205

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

Defined benefit pension schemes

	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000
Defined benefit obligation	(11,945)	(10,880)	(11,087)	(11,535)	(12,652)
Unrecognised past service cost	14,035	13,827	11,117	11,166	11,231
<b>Surplus/(deficit)</b>	<b>2,090</b>	<b>2,947</b>	<b>30</b>	<b>(369)</b>	<b>(1,421)</b>

**25. Commitments under operating leases**

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £000	2020 £000
<b>Land and buildings</b>		
Not later than 1 year	151	-
Later than 1 year and not later than 5 years	529	-
	<b>680</b>	<b>-</b>
<b>Other</b>		
Not later than 1 year	23	32
Later than 1 year and not later than 5 years	3	26
	<b>26</b>	<b>58</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 March 2021**
**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:

	<b>Sales 2021</b>	<b>Purchases</b>	<b>Balance at</b>	<b>Net sales/</b>	<b>Balance at</b>
	<b>2021</b>	<b>2021</b>	<b>year end</b>	<b>(purchases)</b>	<b>year end</b>
	<b>£000</b>	<b>£000</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
			<b>£000</b>	<b>£000</b>	<b>£000</b>
AJN Awan - Awan Marketing	1	-	-	31	-
K Cooke - Sport 4 Life UK	-	-	-	2	-
S Purkess - KPMG LLP	4	-	5	1	-
E L McKenzie - West Midlands Growth Company	-	-	-	1	-
G J Lowson - Pinsent Masons	14	17	-	(12)	(4)
G J Lowson - Midlands Art Centre	-	-	-	1	-
G J Lowson - Birmingham Repertory Theatre Limited	-	-	-	1	-
T S D Pile - Marshalls	-	-	-	1	-
H E Bates - St Basils	1	-	-	2	-
D J Waller - Delami Investments Limited	-	12	-	(14)	(4)
H E Bates - Millenium Point Trust	14	-	-	16	-
P J Faulkner - Birmingham Childrens Hospital	-	-	-	28	2
P J Faulkner - Performances Birmingham Limited	1	-	-	1	-
P J Faulkner - Birmingham Sport and Physical Activity Trust	2	1	-	1	-
P J Faulkner & G J Lowson - Cure Leukaemia	2	1	-	1	-
E L McKenzie - Heart of England Community Foundation	-	-	-	1	-
S D Allen - Mills & Reeve LLP	5	1	-	2	1
MS Bhatti - Younis Bhatti & Co Ltd	-	-	-	1	-
D Leary - Forensic Pathways Ltd	1	-	-	1	-
	<b>45</b>	<b>32</b>	<b>5</b>	<b>66</b>	<b>(5)</b>

**Key Management compensation**

The Key Management personnel of the Company received total compensation of £473,000 (2020: £482,000) 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.*

---