

**Black Country Chamber of
Commerce and Industry (Limited
by Guarantee)**

Report and Financial Statements

Year Ended

31 March 2011

Company Number 4183431



Black Country Chamber of Commerce and Industry (Limited by Guarantee)

**Report and financial statements
for the year ended 31 March 2011**

Contents

Page

1	Report of the directors
3	Independent auditor's report
5	Income and expenditure account
6	Balance sheet
7	Notes forming part of the financial statements

Directors

M Dell
M A Corneby
M D Brown
P R Bennett
B Dhir
N Johal

Secretary and registered office

Lorna Taylor, Chamber of Commerce House, Ward Street, Walsall, West Midlands, WS1 2AG

Company number

4183431

Auditors

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

Black Country Chamber of Commerce and Industry (Limited by Guarantee)

Report of the directors for the year ended 31 March 2011

The directors present their report together with the audited financial statements for the year ended 31 March 2011

Results

The income and expenditure account is set out on page 5 and shows the surplus for the year

Principal activities

The company's principal activity is the provision of services to its members. The company is accredited by the British Chambers of Commerce and delivers Chamber activities to the Metropolitan Boroughs of Dudley, Sandwell and Walsall, and the City of Wolverhampton.

The company continually reviews its activities to ensure that it offers services that are up to date and appreciated by the membership, and to ensure that the Chamber continues as a leading voice in the region to support business generally and its own members' interests particularly.

The Chamber aims to be the partner of first choice for all business activity and is closely associated with many local institutions and organisations to represent the interests of business. Its members participate and lead many of the key groups that bring the public and private sectors together for the benefit of the local community, raising the stature and profile of the region.

Indemnity cover

Directors benefited from qualifying third party indemnity provisions that were in place during the financial year and at the date of this report.

Going concern

The Directors have prepared detailed forecasts for the period to 31 March 2012 and profit and loss budgets to 31 March 2013, and these indicate that the company will continue to be able to trade as a going concern for the foreseeable future. The Directors are aware of the cessation of funding for the commercial activities operated under contract with AWM and Business Link West Midlands and have won alternative contracts to replace this income. Income from member subscriptions remains unaffected by these changes.

Directors

The directors of the company during the year, and those appointed subsequently, were as follows:

A W Dent (resigned 31 March 2011)
A Lear (resigned 31 March 2011)
P M Mathews CMG (resigned 31 March 2011)
M Dell
M A Corneby
M D Brown
P R Bennett
B Dhir (appointed 1 April 2011)
N Johal (appointed 1 April 2011)

The Chamber operates four local boards, one for each of the Metropolitan Boroughs of Sandwell, Dudley and Walsall and the City of Wolverhampton, each of which have the right to appoint and remove one director of the company.

Directors of the main board are required to retire by rotation. Members of the local boards retire by rotation on a rolling four year cycle, holding annual elections where nominees exceed the number of vacant posts.

Black Country Chamber of Commerce and Industry (Limited by Guarantee)

Report of the directors for the year ended 31 March 2011 (continued)

Directors' responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

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

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

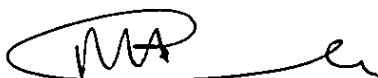
Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

On behalf of the board



M Corneby

Director

Date 24 8 11

Black Country Chamber of Commerce and Industry (Limited by Guarantee)

Independent auditor's report

TO THE MEMBERS OF BLACK COUNTRY CHAMBER OF COMMERCE AND INDUSTRY (LIMITED BY GUARANTEE)

We have audited the financial statements of Black Country Chamber of Commerce and Industry (Limited by Guarantee) for the year ended 31 March 2011 which comprise the income and expenditure account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its surplus for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Black Country Chamber of Commerce and Industry (Limited by Guarantee)

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

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

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

BDO LLP

Stephen Ward (*senior statutory auditor*)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom

Date *30 August 2011*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Black Country Chamber of Commerce and Industry (Limited by Guarantee)

Income and expenditure account for the year ended 31 March 2011

	Note	2011 £	2010 £
Income	3	1,536,824	1,665,995
Direct expenditure		<u>329,382</u>	<u>474,606</u>
Gross surplus		1,207,442	1,191,389
Administrative expenses		<u>1,361,458</u>	<u>1,589,486</u>
		(154,016)	(398,097)
Other operating income - including exceptional income of £392,627 (2010 - £Nil)	2	<u>632,625</u>	<u>308,110</u>
Operating surplus/(deficit)	4	478,609	(89,987)
Other interest receivable and similar income	7	<u>72</u>	<u>13</u>
Surplus/(deficit) on ordinary activities before taxation		478,681	(89,974)
Taxation on surplus/(deficit) on ordinary activities	8	<u>(15)</u>	<u>-</u>
Surplus/(deficit) on ordinary activities after taxation		478,666	(89,974)

All amounts relate to continuing activities

All recognised surplus and deficits in the current and prior year are included in the income and expenditure account

The notes on pages 7 to 15 form part of these financial statements

Black Country Chamber of Commerce and Industry (Limited by Guarantee)

Balance sheet at 31 March 2011

<i>Company number 4183431</i>	Note	2011 £	2011 £	2010 £	2010 £
Fixed assets					
Tangible assets	9		28,891		50,549
Fixed asset investments	10		1		-
			<u>28,892</u>		<u>50,549</u>
Current assets					
Debtors	11	479,122		457,688	
Cash at bank and in hand		619,039		161,051	
		<u>1,098,161</u>		<u>618,739</u>	
Creditors: amounts falling due within one year	12	<u>490,590</u>		<u>511,491</u>	
Net current assets			<u>607,571</u>		<u>107,248</u>
Total assets less current liabilities			<u>636,463</u>		<u>157,797</u>
Capital and reserves					
Profit and loss account	14		<u>636,463</u>		<u>157,797</u>
Shareholders' funds	15		<u>636,463</u>		<u>157,797</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the board of directors and authorised for issue on 24 8 11



M A Corneby
Director

The notes on pages 7 to 15 form part of these financial statements

Black Country Chamber of Commerce and Industry (Limited by Guarantee)

Notes forming part of the financial statements for the year ended 31 March 2011

1 Accounting policies

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

Consolidated financial statements

The company is exempt under section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the group it heads qualifies as a small group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 2006.

Income

Income comprises members' subscriptions and amounts derived from the provision of services to members, excluding value added tax.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold property	- 25% once assets are in use
Computer equipment	- 25% once assets are in use
Office equipment	- 25% once assets are in use

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date.

Deferred tax balances are not discounted.

Black Country Chamber of Commerce and Industry (Limited by Guarantee)

Notes forming part of the financial statements for the year ended 31 March 2011 (*continued*)

1 Accounting policies (*continued*)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the income and expenditure account in the period in which they become payable.

Deferral of income

Membership subscription income is recognised on invoice date and is deferred to the extent that it relates to future years.

2 Exceptional income

Exceptional income of £392,627 (2010 - £nil) relates to amounts received from Black Country Small Business Service Limited, a company limited by guarantee, for which Black Country Chamber of Commerce and Industry is the sole member.

During the year, a special resolution was passed for the voluntary winding up of Black Country Small Business Service Limited including the distribution of the company's assets. Following this, Black Country Small Business Service Limited gifted £392,627 to Black Country Chamber of Commerce and Industry, with £323,006 received in cash and £69,621 to set off amounts owing between the companies.

3 Income

Turnover arises solely within the United Kingdom.

Black Country Chamber of Commerce and Industry (Limited by Guarantee)

Notes forming part of the financial statements for the year ended 31 March 2011 (continued)

4 Operating surplus/deficit

	2011 £	2010 £
This is arrived at after charging		
Depreciation of tangible fixed assets	24,078	22,988
Hire of other assets - operating leases	44,610	73,399
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	6,500	8,000
	<u> </u>	<u> </u>

5 Employees

Staff costs (including directors) consist of

	2011 £	2010 £
Wages and salaries	1,127,674	1,260,152
Social security costs	118,121	130,274
Other pension costs	86,217	92,045
	<u> </u>	<u> </u>
	1,332,012	1,482,471
	<u> </u>	<u> </u>

The average number of employees (including directors) during the year was 46 (2010 - 50)

Staff costs of £337,800 (2010 - £382,897) have been recharged to Black Country Enterprise Limited, in respect of services delivered by employees of Black Country Chamber of Commerce and Industry

6 Directors' remuneration

	2011 £	2010 £
Aggregate emoluments, pension contributions and amounts receivable under long term incentive schemes	79,200	93,749
Company contributions to money purchase pension schemes	6,600	-
Compensation for loss of office	-	44,420
	<u> </u>	<u> </u>

There was 1 director in the company's defined contribution pension scheme during the year (2010 - 2)

Black Country Chamber of Commerce and Industry (Limited by Guarantee)

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

7 Other interest receivable and similar income

	2011 £	2010 £
Bank deposits	72	13
	<u> </u>	<u> </u>

8 Taxation on profit/(loss) on ordinary activities

	2011 £	2010 £
<i>UK Corporation tax</i>		
Current tax on surplus of the year	15	-
	<u> </u>	<u> </u>

The tax assessed for the year is lower than/higher than the standard rate of corporation tax in the UK applied to the deficit before tax. The differences are explained below

	2011 £	2010 £
Profit/(loss) on ordinary activities before tax	478,681	(89,974)
	<u> </u>	<u> </u>
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 21% (2010 - 21%)	100,523	(18,895)
Effect of		
Expenses not deductible for tax purposes	-	18,895
Tax at 21% on non-taxable surplus	(100,508)	-
	<u> </u>	<u> </u>
Current tax charge for the year	15	-
	<u> </u>	<u> </u>

Black Country Chamber of Commerce and Industry (Limited by Guarantee)

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

9 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
<i>Cost</i>			
At 1 April 2010	750	96,214	96,964
Additions	-	2,503	2,503
Disposals	-	(200)	(200)
	<hr/>	<hr/>	<hr/>
At 31 March 2011	750	98,517	99,267
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 April 2010	47	46,368	46,415
Provided for the year	188	23,890	24,078
Disposals	-	(117)	(117)
	<hr/>	<hr/>	<hr/>
At 31 March 2011	235	70,141	70,376
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 March 2011	515	28,376	28,891
	<hr/>	<hr/>	<hr/>
At 31 March 2010	703	49,846	50,549
	<hr/>	<hr/>	<hr/>

Black Country Chamber of Commerce and Industry (Limited by Guarantee)

Notes forming part of the financial statements
for the year ended 31 March 2011 *(continued)*

10 Fixed asset investments

	Other investments other than loans £
<i>Cost or valuation</i>	
Additions and at 31 March 2011	1

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company's interest at the year end is 20% or more are as follows

	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertakings</i>		
Black Country Enterprise Limited	100%	Training services

Black Country Small Business Service Limited, a company limited by guarantee, is considered by the directors to be a subsidiary undertaking as the company is the sole member of that company. The Black Country Chamber of Commerce and Industry Board controls a majority of appointments to the Black Country Small Business Service Limited board. At 31 March 2011, Black Country Small Business Service Limited was in the process of a voluntary winding up and the assets of that Company have been gifted to Black Country Chamber of Commerce and Industry during the year.

The entire ordinary share capital of Black Country Enterprise Limited was transferred to Black Country Chamber of Commerce and Industry during the year by virtue of a gift from Black Country Small Business Service Limited. Previous to this, Black Country Enterprise Limited was considered by the directors to be a subsidiary undertaking as the company indirectly owned the entire share capital of this company. At 31 March 2011, the aggregate share capital and reserves of this company were £58,190 (2010 - £17,973). The surplus for the year was £40,217 (2010 - £15,869).

All of the fixed asset investment companies are incorporated and registered in England.

Black Country Chamber of Commerce and Industry (Limited by Guarantee)

Notes forming part of the financial statements for the year ended 31 March 2011 (continued)

11 Debtors

	2011 £	2010 £
Trade debtors	333,674	305,048
Amounts owed by group undertakings	96,761	116,608
Other debtors	48,687	36,032
	<u>479,122</u>	<u>457,688</u>

All amounts shown under debtors fall due for payment within one year

12 Creditors, amounts falling due within one year

	2011 £	2010 £
Trade creditors	26,062	52,412
Amounts owed to group undertakings	-	70,241
Corporation tax	15	-
Other taxation and social security	61,490	67,051
Accruals and deferred income	403,023	321,787
	<u>490,590</u>	<u>511,491</u>

13 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £86,217 (2010 - £92,045). There were outstanding contributions of £9,180 (2010 - £8,723) at the end of the financial year.

14 Reserves

	Profit and loss account £
At 1 April 2010	157,797
Surplus for the year	478,666
	<u>636,463</u>
At 31 March 2011	

Black Country Chamber of Commerce and Industry (Limited by Guarantee)

Notes forming part of the financial statements
for the year ended 31 March 2011 (*continued*)

15 Reconciliation of movements in members' funds

	2011 £	2010 £
Surplus/(deficit) for the year	478,666	(89,974)
Opening shareholders' funds	157,797	247,771
Closing shareholders' funds	636,463	157,797

16 Contingent liabilities

The grant income claims of the company and its subsidiaries are subject to periodic audit by the awarding organisations. These audits might result in income previously claimed having to be repaid. West Midlands Brokerage Services Limited and Advantage West Midlands have provided Black Country Small Business Service Limited (a subsidiary of Black Country Chamber of Commerce and Industry) with an indemnity that any future claw backs of grant income from Black Country Small Business Service Limited will be settled out of the attributable reserves up to the amount only that has been transferred to West Midlands Brokerage Services of £1,032,322. Any further clawbacks in excess of this amount will be settled by Black Country Chamber of Commerce and Industry. Whilst both Advantage West Midlands and Business Link West Midlands are anticipated to cease trading during 2011 or 2012. It is anticipated that the indemnity will remain in place with another government body. The directors are not currently aware of any reclaims or enquiries. Accordingly, no provision has been made in these financial statements.

17 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2011 £	Other 2011 £	Land and buildings 2010 £	Other 2010 £
Operating leases which expire				
Within one year	1,250	-	28,661	614
In two to five years	-	22,044	15,553	21,959
	1,250	22,044	44,214	22,573

18 Related party disclosures

Controlling parties

The company is not controlled by any single party

Related party transactions and balances

At 31 March 2011, the company owed £nil (2010 - £70,241) to Black Country Small Business Service

Black Country Chamber of Commerce and Industry (Limited by Guarantee)

Notes forming part of the financial statements for the year ended 31 March 2011 *(continued)*

18 Related party disclosures *(continued)*

Related party transactions and balances (continued)

Limited During the year the company also received exceptional income from Black Country Small Business Service Limited of £392,627 (2010 - £nil) (see note 2) and received management income of £nil (2010 - £12,000)

During the year the company made sales to and purchased goods from Black Country Enterprise Limited, a subsidiary undertaking, of £21,508 (2010 - £10,540) and £nil (2010 - £90) respectively The company also received management income from Black Country Enterprise Limited of £239,998 (2010 - £296,110) At 31 March 2011, the company was owed £96,761 (2010 - £116,608) by Black Country Enterprise Limited

In addition the company has traded, as part of its normal operations, with other entities in which directors of the company have an interest All transactions have been undertaken on an arm's length basis on normal commercial terms