

COMPANY REGISTRATION NUMBER: 00120076

Wirral Chamber of Commerce and Industry
Company Limited by Guarantee
Filleted Financial Statements
31 March 2017



HORNER, DOWNEY & COMPANY LIMITED

Chartered Accountants & statutory auditor

10 Stadium Court

Stadium Road

Bromborough

Wirral

United Kingdom

CH62 3RP

Wirral Chamber of Commerce and Industry

Company Limited by Guarantee

Financial Statements

Year ended 31 March 2017

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Wirral Chamber of Commerce and Industry

Company Limited by Guarantee

Directors' Responsibilities Statement

Year ended 31 March 2017

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 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 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 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.

Wirral Chamber of Commerce and Industry
Company Limited by Guarantee
Statement of Financial Position
31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	7	930,011	960,622
Current assets			
Debtors	8	891,166	318,219
Cash at bank and in hand		<u>237,763</u>	<u>302,000</u>
		1,128,929	620,219
Creditors: amounts falling due within one year	9	<u>1,175,167</u>	<u>727,886</u>
Net current liabilities		<u>46,238</u>	<u>107,667</u>
Total assets less current liabilities		883,773	852,955
Creditors: amounts falling due after more than one year	10	845,277	828,617
Provisions			
Taxation including deferred tax		<u>(17,570)</u>	<u>(26,689)</u>
Net assets		<u>56,066</u>	<u>51,027</u>
Capital and reserves			
Profit and loss account		<u>56,066</u>	<u>51,027</u>
Members funds		<u>56,066</u>	<u>51,027</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

The statement of financial position
continues on the following page.
The notes on pages 4 to 12 form part of these financial statements.

Wirral Chamber of Commerce and Industry

Company Limited by Guarantee

Statement of Financial Position *(continued)*

31 March 2017

These financial statements were approved by the board of directors and authorised for issue on ~~18/12/17~~ 18/12/17, and are signed on behalf of the board by:



Mrs. P. B. Basnett
Director

Company registration number: 00120076

Wirral Chamber of Commerce and Industry

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2017

1. General information

The company is a private company limited by guarantee, registered in England and Wales. The address of the registered office is Egerton House, 2 Tower Road, Birkenhead, Wirral, CH41 1FN, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The accounts have been prepared under the going concern basis. Should this basis not apply, fixed assets would need to be carried at their market value and described as current assets and all liabilities would become current.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 16.

Revenue recognition

Turnover comprises of membership, events, export fees, training, business support, salary recharge and funding (excluding VAT and similar taxes) arising in the normal course of business. The turnover is recognised for the period the income relates.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Wirral Chamber of Commerce and Industry

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Income tax *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Leasehold improvements are subject to the property being leased at a peppercorn rent over 25 years.

Other lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	4% straight line
Fixtures and fittings	-	15% straight line
Computer equipment	-	33% straight line

Wirral Chamber of Commerce and Industry

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Wirral Chamber of Commerce and Industry

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Wirral Chamber of Commerce and Industry

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Financial instruments *(continued)*

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Company limited by guarantee

The Company is Limited by Guarantee and therefore has no shares.

5. Employee numbers

The average number of persons employed by the company during the year amounted to 35 (2016: 22).

6. Tax on profit

Major components of tax expense

	Year to 31 Mar 17 £	Period from 1 Jan 15 to 31 Mar 16 £
Deferred tax:		
Origination and reversal of timing differences	<u>9,119</u>	<u>4,177</u>
Tax on profit	<u><u>9,119</u></u>	<u><u>4,177</u></u>

Wirral Chamber of Commerce and Industry

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

6. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

	Year to 31 Mar 17 £	Period from 1 Jan 15 to 31 Mar 16 £
Profit on ordinary activities before taxation	<u>14,158</u>	<u>5,637</u>
Profit on ordinary activities by rate of tax	2,831	1,127
Effect of expenses not deductible for tax purposes	1,149	2,211
Effect of capital allowances and depreciation	6,244	(5,257)
Effect of revenue exempt from tax	(3,128)	209
Utilisation of tax losses	(7,096)	1,710
Deferred tax	<u>9,119</u>	<u>4,177</u>
Tax on profit	<u>9,119</u>	<u>4,177</u>

7. Tangible assets

	Leasehold improvements £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 April 2016	931,721	26,728	22,657	981,106
Additions	4,250	24,710	2,916	31,876
Disposals	–	(12,025)	–	(12,025)
At 31 March 2017	<u>935,971</u>	<u>39,413</u>	<u>25,573</u>	<u>1,000,957</u>
Depreciation				
At 1 April 2016	3,150	10,251	7,083	20,484
Charge for the year	46,627	3,870	8,347	58,844
Disposals	–	(8,382)	–	(8,382)
At 31 March 2017	<u>49,777</u>	<u>5,739</u>	<u>15,430</u>	<u>70,946</u>
Carrying amount				
At 31 March 2017	<u>886,194</u>	<u>33,674</u>	<u>10,143</u>	<u>930,011</u>
At 31 March 2016	<u>928,571</u>	<u>16,477</u>	<u>15,574</u>	<u>960,622</u>

There is a floating charge secured against the leasehold property improvements (see note 11).

Wirral Chamber of Commerce and Industry

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

8. Debtors

	2017	2016
	£	£
Trade debtors	688,246	166,857
Prepayments and accrued income	66,419	92,767
Other debtors	136,501	58,595
	<u>891,166</u>	<u>318,219</u>

9. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	–	34
Trade creditors	54,639	57,480
Accruals and deferred income	592,868	227,722
Social security and other taxes	128,561	38,120
Other creditors	399,099	404,530
	<u>1,175,167</u>	<u>727,886</u>

10. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Accruals and deferred income	296,114	311,754
Other loans	549,163	516,863
	<u>845,277</u>	<u>828,617</u>

Other loans relate to amounts received from Liverpool City Council in relation to the leasehold property improvements in Pacific Road. The loan is secured by way of a floating charge over the property and assets, dated 2nd September, 2015.

11. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2017	2016
	£	£
Included in provisions	<u>(17,570)</u>	<u>(26,689)</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2017	2016
	£	£
Accelerated capital allowances	<u>(17,570)</u>	<u>(26,689)</u>

Wirral Chamber of Commerce and Industry

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Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

12. Going concern

As described in Note 1, the accounts are prepared under the going concern basis. The directors are of the opinion that it is appropriate to produce the accounts on this basis as monthly management information is produced and cashflows are continually under review.

13. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	6,527	-
Later than 1 year and not later than 5 years	<u>20,221</u>	<u>-</u>
	<u>26,748</u>	<u>-</u>

14. Summary audit opinion

The auditor's report for the year dated 18/12/17 was unqualified.

The senior statutory auditor was Mark Williams FCCA, for and on behalf of Horner, Downey & Company Limited.

Wirral Chamber of Commerce and Industry

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

15. Related party transactions

Some of the current directors are also on the Board of the following companies:

Egerton House (Wirral) CIC- Mrs. P. B. Basnett and Mr. A. Hamid

McEwan Wallace Limited- Mr. A. C. Gould

Lauries Events Limited- Mrs P. B. Basnett and Mr. A. Hamid

The Lauries Limited- Mrs P. B. Basnett and Mr. A. Hamid

At the year end date, Wirral Chamber of Commerce and Industry owed £387,922 (2016 - £399,544) to Egerton House (Wirral) CIC. Rent includes rental charged by Egerton House (Wirral) CIC and wages include salaries recharged to Egerton House (Wirral) CIC.

Rent of £47,673 (2016- £48,633) and training room hire of £8,468 (2016- nil) was charged by Egerton House (Wirral) CIC.

Wages of £20,838 (2016- £60,330 recharged from) were recharged to Egerton House (Wirral) CIC.

During the year McEwan Wallace Limited invoiced Wirral Chamber of Commerce and Industry £2,500 (2016 - £3,700) for accountancy and bookkeeping services.

At the year end date, Wirral Chamber of Commerce and Industry were owed £69,407 (2016 - £60,335) from Lauries Events Limited. Rent includes rental charged by Lauries Events Limited and turnover includes salaries recharged from Lauries Events Limited.

Wages of £60,335 (2016- £79,337) were recharged to Lauries Events Limited.

Rent of £9,617 (2016- nil) was charged by Lauries Events Limited.

Salary recharges of £30,308 to The Lauries Limited were accrued at the year end and are owed to Wirral Chamber of Commerce and Industry.

16. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in equity or profit or loss for the period.