

Registered number: 05159791

BLACK COUNTRY CONSORTIUM LIMITED

(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	Cllr M A Bird (appointed 27 June 2018) Cllr I Brookfield (appointed 28 May 2019) Mr P G Brown Mr S P Coughlan (resigned 27 June 2018) Mr A M Cox (resigned 21 June 2019) Cllr Y Davies (appointed 3 June 2019) Mr K R Davis (appointed 1 July 2019) Mr S P Eastwood Cllr S C Eling (resigned 5 March 2019) Mrs L E Flynn (appointed 12 August 2019) Dr C R Handy OBE Cllr P E Harley (re-appointed 27 May 2019, resigned 17 October 2018) Mr N Johal DL Cllr R C Lawrence (resigned 27 May 2019) Mr S R Towe CBE Cllr S G Trow (appointed 28 March 2019, resigned 21 May 2019) Mr T P Westley DL Cllr Q Zada (appointed 23 November 2018, resigned 29 May 2019)
Registered number	05159791
Registered office	The Deckhouse Waterfront West Dudley Road West Midlands DY5 1LW
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Park View One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

CONTENTS

	Page
Directors' Report	1 - 6
Independent Auditor's Report	7 - 9
Statement of Comprehensive Income	10
Balance Sheet	11
Notes to the Financial Statements	12 - 22

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Principal activity

The principal aim of the company is to champion the urban renaissance aspirations of the Black Country region, comprising the City of Wolverhampton and the boroughs of Walsall, Sandwell and Dudley. It will hold stakeholders to account on the implementation of the integrated economic and spatial strategy – the Black Country Strategy for Growth and Competitiveness, documented in the published Black Country Strategic Economic Plan. The company looks to monitor progress towards outcomes on economic competitiveness, reversal of population migration and the socio-economic mix of the population as set out in the 30 Year Vision.

The company's operations are structured around 4 prime roles; capacity to support public and private sector partners on strategic priorities, enabling partnership working between the public, private and voluntary sectors to improve the economic performance of the area, providing data, intelligence and policy advice on economic issues and acting as an advocate and champion for the Black Country. This support is provided to the overarching strategic partnership – Black Country Consortium and a number of aligned boards including the Local Enterprise Partnership (BCLEP) and the Active Black Country Partnership (BCABC).

The BCLEP is a voluntary partnership between local authorities and the private sector formed in 2011 by the then Department for Business, Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within a defined local area. In June 2013 the Government set out enhanced strategic roles for LEPs. As a consequence, the role of secretariat to the LEP has expanded to include strategic advisor for a funding allocation of £170m from European sources, reflected in the Black Country European Strategic Investment Plan aligned to the overarching Black Country Strategic Economic Plan. The BCLEP has led on negotiations with central Government in determining 'City' and Growth Deals which offer policy flexibilities and resources for bespoke interventions.

The Active Black Country partnership is the strategic lead for Sport and Physical Activity across the Black Country, advocating the health, social and economic benefits of sport, physical activity and play for our residents. The partnership's business plan focuses on a four-year period from 2018-2022 with a purpose of achieving the objectives set out in the 'Towards an Active Black Country strategy (2017-2033)'. The partnership's role focusses on testing approaches to tackling physical inactivity amongst under-represented groups and impacting on wider socio-economic outcomes - and supports the strategic objectives of the Black Country Plan, Strategic Economic Plan and the emerging Local Industrial Strategy.

The partnership aims to understand the regions communities and residents, connect and collaborate to align strategic priorities and influence policy and investment to positively influence the lives of those who live in the region. To date the partnership has been successful in influencing over £40m of investment into the region and managing a number of Lottery and Exchequer contracts that aim to tackle physical inactivity.

The Company also manages the Black Country Skills Factory which focusses on skills development addressing the shortfall in the BCLEP's Transformational sectors through additional apprenticeship opportunities, brokering bite sized training courses for both large and small employers and developing careers resources and activities between schools and business as part of the national Careers and Enterprise initiative.

2018/2019 Business review, current activities and future developments

Black Country Consortium Limited is a not for profit company, limited by guarantee. Its guarantee members are the leaders of the four black country local authorities – City of Wolverhampton Council, Dudley MBC, Sandwell MBC and Walsall MBC.

The statement of comprehensive income for the 2018/19 financial year is shown on page 10 and incorporates adjustments for corporation tax and WMPF FRS102 pension adjustments. The result for the year before these adjustments was a surplus of £4,959. Cash balances are healthy and the net current asset position has been maintained year on year.

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The company continues to change as we are asked to respond quickly and effectively to a rapidly changing national, sub-national, regional & local political environment including support to the Black Country by the on-going evolution of the Black Country Programme Management Office function overseeing the 6-year Black Country Local Growth Deal of £217m and West Midlands partners including the West Midlands Combined Authority. Our activities have been aligned in part to the Local Enterprise Partnership with its priorities clustered under the three pillars of the Black Country Strategy; Infrastructure Development (Planning, Transport, Black Country as Garden City initiative, Environment, Energy Capital, and Broadband); Competitiveness (Business Advice & Support, International Trade, Inward Investment, Access to Finance, Black Country Productivity Factory) and Education, Employability & Skills (school Improvement, strategic advice on the coordination of

Careers Information, Advice and Guidance (utilising resources awarded via the UK Careers and Enterprise Company), Apprenticeship and Workforce Development for all sectors – (e.g. The Black Country Skills Factory), Tackling Unemployment, Higher and Further Education). These along with a focus on communication and perceptions have created the framework for many company activities.

In 2018/19, the LEP committed significant resources, working with the Greater Birmingham and Solihull LEP, Coventry & Warwickshire LEP and the West Midlands Combined Authority in the development of a Local Industrial Strategy for the West Midlands – the first in the UK. This included significant consultation with local and regional businesses, expansion of delivery plans to reflect (where applicable) a wider geographic focus and an analysis of market opportunities and failures to be addressed to enable the growth of productivity and inclusive growth across the West Midlands.

Importantly, the Black Country has played an integral role in developing the West Midlands LIS and has influenced the priorities that underpin it. The Black Country Economic Intelligence Unit is responsible for the collation of all the evidence for the West Midlands LIS, allowing partners to make informed decisions about what aspects of the economy and society the LIS should focus on. We are also leading on West Midlands wide action plans for four sectors – metals and materials, aerospace, construction and rail. We will continue to work collaboratively at the West Midlands level and beyond in order to maximise the potential of industrial strategy opportunities.

Black Country Consortium is also one of the partners in the Midlands Engine Observatory which is a partnership led by City-REDI at the University of Birmingham and includes Nottingham Trent University, SQW and Cambridge Econometrics. The Economic Intelligence Unit of Black Country Consortium provides the Midlands Engine with a Quarterly Economic Commentary which provides intelligence that can inform, support and influence important decision making to ensure strategy and policy is evidence led.

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

The central role of LEP's in promoting growth has been reflected in a number of recent announcements:

- Facilitating and developing the Black Country Programme Management Office and the development of an integrated pipeline of propositions and programmes including the Single Local Growth Deal Fund, a six-year programme, 2015-2021, utilising £217M funding for transport infrastructure, employment, skills and housing projects;
- Facilitating the development of a specific Land and Property Investment Fund programme securing a minimum of £53M with an ambition to increase this to at least £150M from the West Midlands Combined Authority
- Shaping a minimum of £170m of European Structural Investment Funds for the 2014/20 period
- Facilitating the development of a pipeline of propositions, programmes and projects creating the Black Country Delivery Plan underpinning the proposed Black Country Local Industrial Strategy
- Leading and programme management of resources from BDUK and BT for the support of Broadband infrastructure resulting in a £12m investment programme and exploring the opportunities from the WMCA 5G programme.
- Providing economic intelligence in support of the Combined Authority arrangements for the West Midlands including the production of the 'Annual State of the Region' report on behalf of the WMCA and providing strategic support in the development of the 'Office of Data Analytics'.
- Founding member of a multi-faceted consortia to provide economic intelligence to the Midlands Engine.
- Supporting co-design on the development of the West Midlands Local Industrial Strategy and the provision of the evidence base to underpin the WM LIS and the associated sector action plans.
- Supporting and leading on the development of the Black Country Active Black Country Strategic Framework – Towards an Active Black Country.
- Identifying a pipeline of propositions, programmes across stakeholders working within targeted geographical areas to get Black Country residents more active and moving more.
- Implementation of the UK's first Sector Skills Action Plan for Sport and Physical Activity in partnership with the Active Black Country Board.
- Leading and managing the introduction of senior level, volunteer Enterprise Advisers into each Senior School to enhance the CEIAG (Careers Education, Information, Advice & Guidance) offering at the school through improving the schools Business Engagement Strategy as part of the national Careers & Enterprise Company programme.
- Managing the Careers Hub programme.
- Strategic partner to the Elite Centre for Manufacturing Skills (ECMS), supporting the expansion of skills provision.
- Leading on production of Black Country Local Industrial Strategy delivery plan setting out detailed spatially focused delivery plans and sector action plans.
- Economic and strategy support to WMCA Strategic Economic Development Board, WMCA Productivity and Skills Commission, Land Commission and Inclusive Growth unit.
- Providing economic intelligence in support of the Marches LEP including the production of the 'Annual State of the Region' report on behalf of the Marches.
- Commissioned primary research to inform our LIS implementation in order to broaden our evidence base to look at opportunities on a global scale and understand the potential for our companies to grow and take advantages of these opportunities.
- Strategic support for the Black Country Growth Hub which provides a single point of contact for businesses in the Black Country to easily access a wide range of support and expertise.

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Future Developments

Looking to the future, resources available to the company from local authority subscriptions will continue to be under pressure. Partners are, therefore, likely to require greater return on their investment, including enhanced efficiencies and changes to service provision, including ways of working under a Team Black Country remit. Our annual business review will need to balance priorities for support with available resources and capacity. The Active Black Country partnership is embedding a new offer, following the partnerships re-structure in response to Sport England's revised role for County Sport Partnerships. The recognition of Sport and Physical Activity as a priority sector for the Local Enterprise Partnership enables the ABC partnership to contribute to the economic prosperity of the Black Country. The strength and impact of the work undertaken to date has been recognized through continuation of funding from Sport England until 2021.

The Local Enterprise Partnership has funding to support both capacity and strategic development needs as well as resources to implement the outcome of the nationally led LEP review. The combination of these funds, together with a growing remit to provide economic intelligence to the West Midlands Combined Authority including the WMCA Growth Company provide a strong platform to continue the coordination of Black Country wide activities.

Black Country Consortium is well positioned to build on the expanding sub regional focus and the growth momentum for working in collaboration with local and neighbouring LEP partnerships, including the West Midlands Combined Authority and the Midlands Engine.

The Government confirmed a review of LEPs during 2017 which concluded in January 2019 with the publication of revised minimum National Local Growth Assurance Framework requirements. The document - Strengthened Local Enterprise Partnerships – provides the conclusion to the Ministerial review of LEPs. This future purpose of LEPs is defined as "enhancing productivity through the development and delivery of Local Industrial Strategies (LIS)". Details on the replacement of EU and Growth Deal funds by the proposed UK Shared Prosperity Fund (UKSPF) are awaited.

The recommended actions within the Review fall under the headings of Role and responsibilities; Leadership and organisational capacity; Accountability and performance; Geography; Mayoral Combined Authorities; and Managing the transition to strengthened Local Enterprise Partnerships. Government are encouraging Local Enterprise Partnerships and mayoral combined authorities to move towards coterminous boundaries where appropriate in line with the wider discussions on Local Enterprise Partnership geographies.

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Directors' responsibilities statement

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 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 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.

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Directors

The directors who served during the year were:

Cllr M Bird (appointed 27 June 2018)
Cllr I Brookfield (appointed 28 May 2019)
Mr P G Brown
Mr S P Coughlan (resigned 27 June 2018)
Mr A M Cox (resigned 21 June 2019)
Cllr Y Davies (appointed 3 June 2019)
Mr K R Davis (appointed 1 July 2019)
Mr S P Eastwood
Cllr S C Eling (resigned 5 March 2019)
Mrs L E Flynn (appointed 12 August 2019)
Dr C R Handy OBE
Cllr P Harley (re-appointed 27 May 2019, resigned 17 October 2018)
Mr N Johal DL
Cllr R C Lawrence (resigned 27 May 2019)
Mr S R Towe CBE
Cllr S G Trow (appointed 28 March 2019, resigned 21 May 2019)
Mr T P Westley DL
Cllr Q Zada (appointed 23 November 2018, resigned 29 May 2019)

Disclosure of information to auditor

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

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

Auditor

The auditor, Cooper Parry Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



Mr S R Towe CBE
Director

Date: 21 October 2019

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACK COUNTRY CONSORTIUM LIMITED

Opinion

We have audited the financial statements of Black Country Consortium Limited (the 'Company') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet 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 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACK COUNTRY CONSORTIUM LIMITED
(CONTINUED)

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement 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.

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACK COUNTRY CONSORTIUM LIMITED
(CONTINUED)


Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Atkins FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Park View
One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

21 October 2019

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Turnover	2	3,577,609	3,624,366
Cost of sales		(1,283,744)	(1,441,019)
Gross profit		<u>2,293,865</u>	<u>2,183,347</u>
Administrative expenses		(2,566,968)	(2,454,504)
Operating loss	3	(273,103)	(271,157)
Interest receivable and similar income		6,218	2,376
Loss before tax		<u>(266,885)</u>	<u>(268,781)</u>
Tax on loss	5	(1,156)	(476)
Loss for the financial year		<u>(268,041)</u>	<u>(269,257)</u>
Other comprehensive income for the year			
Actuarial gains on defined benefit pension scheme		548,000	85,000
Other comprehensive income for the year		<u>548,000</u>	<u>85,000</u>
Total comprehensive income for the year		<u><u>279,959</u></u>	<u><u>(184,257)</u></u>

The notes on pages 12 to 22 form part of these financial statements.

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05159791

BALANCE SHEET
AS AT 31 MARCH 2019

	Note		2019 £	2018 £
Fixed assets				
Tangible assets	6		19,338	10,362
			19,338	10,362
Current assets				
Debtors: amounts falling due within one year	7	919,295	885,325	
Cash at bank and in hand	9	941,829	846,316	
		1,861,124	1,731,641	
Creditors: amounts falling due within one year	10	(1,083,730)	(950,232)	
Net current assets			777,394	781,409
Net assets			796,732	791,771
Defined benefit scheme pension liability			1,335,000	1,610,000
Capital and reserves				
Income and expenditure account	11		(538,268)	(818,229)
			796,732	791,771

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Mr S R Towe CBE
 Director

Date: 21 October 2019

The notes on pages 12 to 22 form part of these financial statements.

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

1.2 Income

Income comprises grants and other income receivable from public sector bodies and other organisations. Income is recognised as and when the services for which it has been received have been performed, otherwise it is included in deferred income.

1.3 Tangible fixed assets and depreciation

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.

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	- 6 to 8 years straight line
Computer equipment	- 6 to 8 years straight line

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 the Statement of Comprehensive Income.

1.4 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

1.5 Pension

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included

in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Turnover

The following funds have been received in the year and have been included in turnover:

	2019	2018
	£	£
Black Country Local Authority subscriptions	390,188	428,288
Walsall MBC/LGF - programme office funding	123,627	195,314
Wolverhampton MBC - programme office funding	191,000	-
Walsall MBC/LEP Core and Strategic funding	500,000	500,000
Walsall MBC – Energy Strategy	119,912	119,912
Wolverhampton MBC – AIM	83,622	-
Combined Authority	243,833	222,850
Walsall MBC – Growth Hub	253,874	-
The Careers and Enterprise Company – Enterprise Advisors	146,463	93,664
The Careers and Enterprise Company – Careers Hub	72,000	-
Skills Funding Agency – ESF Skills Factory	327,450	372,872
Sport England funding	491,903	644,000
Other funding (including deferred income adjustments)	633,737	924,078
Total Funding	3,577,609	3,500,978

All turnover arose within the United Kingdom

3. Operating deficit

The operating deficit is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets	3,715	5,139
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	11,159	9,833
Other operating lease rentals	28,057	28,650

Included within the Statement of Comprehensive Income are charges amounting to £273,000 (2018: £288,000) in respect of the FRS102 adjustments related to the defined benefit pension scheme.

The result for the year before these adjustments was a surplus of £4,959 (2018: surplus of £18,743).

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

4. Employees

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

	2019	2018
	No.	No.
Administration	39	37

The number of employees whose basic salary (excluding employer's pension contributions and national insurance) fell in the following brackets is:

	2019	2018
	£	£
Basic Salary Band		
£105,000 - £109,999	1	1
£85,000 - £89,999	1	-
£75,000 - £79,999	-	1
£65,000 - £69,999	-	1
£55,000 - £59,999	4	1
	<u>6</u>	<u>4</u>

Board members and directors do not receive remuneration from the company.

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

5. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on bank interest for the year	1,156	476
	1,156	476
Total current tax	1,156	476

Factors affecting tax charge for the year

The company is classified as a mutual company for tax purposes and is not taxed on its trading income.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

6. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2018	1,852	27,397	29,249
Additions	-	14,575	14,575
Disposals	-	(12,060)	(12,060)
At 31 March 2019	1,852	29,912	31,764
Depreciation			
At 1 April 2018	1,287	17,600	18,887
Charge for the year on owned assets	308	3,407	3,715
Disposals	-	(10,176)	(10,176)
At 31 March 2019	1,595	10,831	12,426
Net book value			
At 31 March 2019	257	19,081	19,338
At 31 March 2018	565	9,797	10,362

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

7. Debtors

	2019	2018
	£	£
Trade debtors	150,771	170,232
Other debtors	438	358
Prepayments and accrued income	768,086	714,735
	919,295	885,325
	919,295	885,325

8. Cash allocation to projects

included within the cash reserves held of £941,829 are funds representing work to be completed in respect of future projects totalling £530,271.

	2019	2018
	£	£
Black Country Local Authority subscriptions	175,370	125,370
SEP Proposition fund	37,657	44,522
Active Black Country funding*	173,601	168,370
Skills funding	81,382	40,995
Other sundry projects	62,261	76,754
HVM City funds	-	26,317
	530,271	482,328
	530,271	482,328

*includes Sport England funding for Primary Role £59,102, School Games £36,192, Primary Schools Support Funding £14,674.

9. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	941,829	846,316
	941,829	846,316
	941,829	846,316

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

10. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	184,676	218,064
Corporation tax	1,181	476
Other taxation and social security	66,754	78,341
Other creditors	23,463	52,778
Accruals and deferred income	807,656	600,573
	<u>1,083,730</u>	<u>950,232</u>

11. Reserves

Income and expenditure account

This reserve includes all current and prior period retained surpluses and deficits.

12. 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 £1 towards the assets of the company in the event of liquidation.

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

13. Pension commitments

The Company operates a Defined Benefit Pension Scheme.

The pension cost and provision for the year ending 31 March 2019 are based on the advice of a professionally qualified actuary. The most recent formal valuation is dated 31 March 2014.

Reconciliation of present value of plan liabilities:

	2019	2018
	£	£
Reconciliation of present value of plan liabilities		
At the beginning of the year	10,287,000	9,974,000
Current service cost	432,000	425,000
Interest cost	263,000	278,000
Actuarial gains/losses	556,000	(321,000)
Contributions	94,000	94,000
Benefits paid	(3,000)	(163,000)
Change in demographic assumptions	(624,000)	-
At the end of the year	11,005,000	10,287,000

Reconciliation of present value of plan assets:

	2019	2018
	£	£
At the beginning of the year	8,677,000	8,567,000
Interest on assets	225,000	241,000
Return on assets less interest	480,000	(236,000)
Contributions	94,000	94,000
Benefits paid	(3,000)	(163,000)
Employer contributions	201,000	178,000
Administration expenses	(4,000)	(4,000)
At the end of the year	9,670,000	8,677,000

	2019	2018
	£	£
Fair value of plan assets	9,670,000	8,677,000
Present value of plan liabilities	(11,005,000)	(10,287,000)
Net pension scheme liability	(1,335,000)	(1,610,000)

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

13. Pension commitments (continued)

The amounts recognised in income and expenditure are as follows:

	2019	2018
	£	£
Current service cost	(432,000)	(425,000)
Net interest defined liability	(38,000)	(37,000)
Gains on curtailments and settlements	(4,000)	(4,000)
Total	<u>(474,000)</u>	<u>(466,000)</u>
Actual return on scheme assets	705,000	5,000
	<u>(705,000)</u>	<u>(5,000)</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was £548,000 (2018 - £85,000).

The Company expects to contribute £190,000 to its Defined Benefit Pension Scheme in 2020.

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

	2019	2018
	%	%
Discount rate	2.4	2.55
Future salary increases	3.9	3.8
Future pension increases	2.4	2.3
Mortality rates		
- for a male aged 65 now	20.9	21.9
- at 65 for a male aged 45 now	22.6	24.0
- for a female aged 65 now	23.2	24.3
- at 65 for a female member aged 45 now	<u>25.0</u>	<u>26.6</u>

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14. Commitments under operating leases

At 31 March 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than 1 year	37,251	26,251
Later than 1 year and not later than 5 years	145,053	2,304
Later than 5 years	36,000	-
	<u>218,304</u>	<u>28,555</u>

15. Contingent liabilities

As part of its normal commercial activity, the company has undertaken activities on behalf of partner organisations covering the delivery of specific projects. These projects have been funded by grants received by those partners from the European Regional Development Fund, European Social Fund and The Department for Business Innovation & Skills.

The terms of those grants provide for part or all of the grants to be repaid if the projects were deemed not to have been completed in accordance with the grant terms following inspection by UK and European auditors. European Commission regulations require all documentary evidence relating to projects be kept available for inspection by its auditors.

The directors are of the opinion that the likelihood of repaying any monies received relating to these projects is remote and no provision for potential liabilities has been made.

BLACK COUNTRY CONSORTIUM LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

16. Local Enterprise Partnership Income & Expenditure 2018/19

	2019 £
Income	
Funds ringfenced from 2017/18 LEP grant income	67,051
2018/19 Grants	500,000
Expenditure to be claimed from future LEP grant income	30,702
	597,753
Expenditure	
Black Country LEP contribution to WMCA for 18-19	25,000
Black Country LEP transfer to Energy Strategy 18-19	20,000
Black Country LEP transfer to WM Innovation Alliance 18-19	25,000
Black Country LEP contribution to Ch4 regional bid	30,000
Sponsorship of LEP Network 2018/19	6,000
Black Country Energy Steering Group Support	25,584
Black Country Strategic Economic Plan Refresh	6,061
Brownfield Centre of Excellence	5,700
Local Industrial Strategy	10,150
LEP Board Development	7,050
Compliance review and legal fees	8,096
Marketing Communications & PR	42,653
Economic Intelligence Data Subscriptions	17,040
Programme Management Office Software Support/Training	8,920
Sundry Items	707
Capacity*	301,312
Events, Room Hire, Refreshments	13,376
Premises and Office Cost Recharge	24,330
IT & Computer Costs	10,638
Motor & Travel Expenses	10,136
	597,753
* Capacity (Staff costs recharged to LEP)	
Careers & Enterprise Company Coordinator Match Funding	47,997
EU Programme Technical Assistant Post	42,382
Local Enterprise Partnership Governance	26,845
Finance & Productivity Lead	46,708
Digital Lead	28,164
Investment Lead	20,528
Programme Office Recharges	18,582
Marketing & Communications	60,506
Economic Intelligence	9,600
	301,312

