

Registered number: 05159791

**BLACK COUNTRY CONSORTIUM LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

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**BLACK COUNTRY CONSORTIUM LIMITED**  
**(A Company Limited by Guarantee)**

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**COMPANY INFORMATION**

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<b>Directors</b>	Cllr M A Bird (resigned 25 May 2016) Mr P Brown Cllr S Coughlan (appointed 23 May 2016) Mr A Cox Mr S Eastwood Cllr S Eling (appointed 24 May 2016) Dr C Handy OBE Cllr P E Harley (appointed 19 May 2017) Mr N Johal Cllr R Lawrence Cllr P Lowe (resigned 19 May 2017) Mr S Towe CBE Mr T Westley
<b>Company secretary</b>	K J O'Keefe
<b>Registered number</b>	05159791
<b>Registered office</b>	The Deckhouse Waterfront West Dudley Road West Midlands DY5 1LW
<b>Independent auditors</b>	PKF Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Park View One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG

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**BLACK COUNTRY CONSORTIUM LIMITED**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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The directors present their report and the financial statements for the year ended 31 March 2017.

**Principal Activities**

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 (ABC).

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 lead on negotiations with central Government in determining 'City' and Growth Deals which offer policy flexibilities and resources for bespoke interventions.

The ABC is responsible for strategic planning, co-ordination, alignment and delivery of a range of programmes implementing national sporting and physical activity priorities. This includes Government, Lottery and a number of funded Sports and Physical Activity contracts. It has resulted in grant support to organisations focused on strategic networking and influence, local strategy development, facility planning supported volunteering, facility development and sporting and health improvements, including developing the sport and physical activity workforce.

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

**2016/17 Business review, current activities and future developments**

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 Black Country and West Midlands partners on the newly created West Midlands Combined Authority and ongoing evolution of the Black Country Programme Management Office function overseeing the 6 year Black Country Local Growth Deal of £217m.

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 and Broadband); Competitiveness (Business Advice & Support, International Trade, Inward Investment, Access to Finance, Black Country as High Value Manufacturing 'HVM' City) 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),



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**FOR THE YEAR ENDED 31 MARCH 2017**

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Apprenticeship and Workforce Development - (e.g. The Black Country Skills Factory initiative based on the Transformational Sectors), Tackling Unemployment, Higher and Further Education).

These along with focus on communication and perceptions have created the framework for many company activities.

Some of the Key points LEPs and organisations supporting them will be considering is the delivery of 'Growth Deals' in support of the Black Country Economic Strategic Plan.

The central role of LEPs in promoting growth has been reflected in a number of recent announcements:

- Facilitating and developing the Black Country Programme Management Office with a further allocation of £55.05m from national sources to the Single Local Growth Deal Fund creating a six year programme 2015-2021 of £217m from 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 £150m from the West Midlands Combined Authority.
- Shaping £170m of European Structural Investment Funds for the 2014/20 period.
- Facilitating the development of a pipeline of programmes and projects creating the Black Country Delivery Plan.
- Leading and programme management of resources from BDUK and BT for the support of Broadband infrastructure resulting in a £12m investment programme.
- Providing economic intelligence in support of the Combined Authority arrangements for the West Midlands.
- Supporting and leading on the development of the the West Midlands Strategic Economic Plan.
- Supporting and leading on the development of the Black Country Active Black Country Strategic Framework - Towards an Active Black Country.
- 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 in to 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 programmes.
- Managing the Passport to Employment partnership programme (P2E) which delivers a suite of 3 transformational sector based careers events to Year 9 in Black Country Schools supported by local sector employers.
- Following on from the feasibility study for the Elite Centre for Manufacturing Skills (ECMS), the facilitation of creating of the partnership, the securing of funding and supporting of the team establishing the ECMS.
- The Black Country Skills Factory is the Lead Contractor to the ESFA for the ESF programme of Improving the Labour Market Relevance of Education & Training Systems that aims to help upskill employees in the LEP 5 Transformational sectors by brokering employer led bite-sized training.
- Leading on production of Black Country SEP delivery plan setting out detailed spatially focused delivery plans.
- Economic and strategy support to WMCA Productivity and Skills Commission and Land Commission.
- Leading on overseeing the monitoring and evaluation plan for the WMCA Devo deal and gainshare M&E.
- 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.

### **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 Government has recently completed its appraisal of Active Black Country (ABC) and other County Sports

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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Partnerships on its role in delivering its "Sporting Future" Strategy, which outlines the need for investment to have a greater impact against broader socio-economic outcomes. 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 recognised through continuation of funding from Sport England until 2021. We are working with the Board, Sport England and stakeholders to determine the implementation and integration of national and local strategies from September 2017.

The Local Enterprise Partnership has funding to support both capacity and strategic development needs. The combination of these funds, together with a growing remit to provide economic intelligence to the West Midlands Combined Authority including the WMCA newly formed 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 newly created West Midlands Combined Authority and the Midlands Engine.

**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.

**Directors**

The directors who served during the year were:

Cllr M A Bird (resigned 25 May 2016)  
Mr P Brown  
Cllr S Coughlan (appointed 23 May 2016)  
Mr A Cox  
Mr S Eastwood  
Cllr S Eling (appointed 24 May 2016)  
Cllr P E Harley (appointed 19 May 2017)  
Dr C Handy OBE



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**BLACK COUNTRY CONSORTIUM LIMITED**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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Mr N Johal  
Cllr R Lawrence  
Cllr P Lowe (resigned 19 May 2017)  
Mr S Towe CBE  
Mr T Westley

**Disclosure of information to auditors**

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

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

**Auditors**

The auditors, PKF 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.



**K J O'Keefe**  
Secretary

Date: 16 October 2017

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**BLACK COUNTRY CONSORTIUM LIMITED**  
(A Company Limited by Guarantee)

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLACK COUNTRY CONSORTIUM LIMITED**

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We have audited the financial statements of Black Country Consortium Limited for the year ended 31 March 2017, set out on pages 7 to 16. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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

**Respective responsibilities of Directors and Auditors**

As explained more fully in the Directors' Responsibilities Statement on page 3, 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 Financial Reporting Council's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**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 2017 and of its profit or 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.



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**BLACK COUNTRY CONSORTIUM LIMITED**  
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLACK COUNTRY CONSORTIUM LIMITED**  
(CONTINUED)

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**Opinion on other matter 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 those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our 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.

**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 in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

*PKF Cooper Parry Group Limited*

Simon Atkins FCA (Senior Statutory Auditor)

for and on behalf of  
**PKF Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor

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

16 October 2017

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**BLACK COUNTRY CONSORTIUM LIMITED**  
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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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	Note	2017 £	2016 £
<b>Turnover</b>		3,155,133	3,004,964
Cost of sales		(1,228,328)	(1,293,209)
<b>Gross surplus</b>		<u>1,926,805</u>	<u>1,711,755</u>
Administrative expenses		(2,079,434)	(1,824,773)
<b>Operating deficit</b>	3	(152,629)	(113,018)
Interest receivable and similar income		4,477	5,761
<b>Deficit before tax</b>		(148,152)	(107,257)
Tax on interest	5	(894)	(1,152)
<b>Deficit for the financial year</b>		<u>(149,046)</u>	<u>(108,409)</u>
<b>Other comprehensive income for the year</b>			
Actuarial gains on defined benefit pension scheme		526,000	284,000
<b>Other comprehensive income for the year</b>		<u>526,000</u>	<u>284,000</u>
<b>Total comprehensive income for the year</b>		<u><u>376,954</u></u>	<u><u>175,591</u></u>

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

**BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Note		2017 £	2016 £
<b>Fixed assets</b>				
Tangible assets	6		17,427	22,566
			17,427	22,566
<b>Current assets</b>				
Debtors: amounts falling due within one year	7	548,164	471,307	
Cash at bank and in hand		1,196,120	1,450,049	
		1,744,284	1,921,356	
Creditors: amounts falling due within one year	8	(988,683)	(1,170,848)	
<b>Net current assets</b>			755,601	750,508
<b>Total assets less current liabilities</b>			773,028	773,074
Defined benefit scheme pension liability			1,407,000	1,784,000
<b>Capital and reserves</b>				
Income and expenditure account	9		(633,972)	(1,010,926)
			773,028	773,074

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 Towe CBE**  
 Director

Date: 16 October 2017

The notes on pages 9 to 16 form part of these financial statements.



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**BLACK COUNTRY CONSORTIUM LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**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.

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**BLACK COUNTRY CONSORTIUM LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**1. Accounting policies (continued)**

**1.5 Pensions**

**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 income and expenditure 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 income and expenditure as a 'finance expense'.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. Turnover**

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

	£
Sandwell MBC – Growing Places grant	147,000
Walsall MBC/LGF – Programme Office funding	362,000
Walsall MBC/DCLG – LEP Core and Strategic funding	500,000
The Careers and Enterprise Company – Investment Fund	38,900
The Careers and Enterprise Company – Enterprise Advisors	76,346
Education and Skills Funding Agency – ESF Skills Factory	1,600
Sport England funding	861,135
<b>Total funding</b>	<b>1,986,981</b>

All turnover arose within the United Kingdom.

**3. Operating deficit**

The operating deficit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	5,139	5,019
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	10,099	10,665
Other operating lease rentals	28,650	25,607

**4. Employees**

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

	2017 No.	2016 No.
Administration	35	31



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**5. Taxation**

	2017 £	2016 £
<b>Corporation tax</b>		
Current tax on bank interest for the year	894	1,152
	894	1,152
<b>Total current tax</b>	894	1,152

**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 £
<b>Cost or valuation</b>			
At 1 April 2016	1,852	38,639	40,491
At 31 March 2017	1,852	38,639	40,491
<b>Depreciation</b>			
At 1 April 2016	669	17,256	17,925
Charge for the period on owned assets	309	4,830	5,139
At 31 March 2017	978	22,086	23,064
<b>Net book value</b>			
At 31 March 2017	874	16,553	17,427
At 31 March 2016	1,183	21,383	22,566

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**7. Debtors**

	2017 £	2016 £
Trade debtors	172,851	35,067
Other debtors	411	10,463
Prepayments and accrued income	374,902	425,777
	<u>548,164</u>	<u>471,307</u>

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

	2017 £	2016 £
Trade creditors	173,769	259,272
Corporation tax	895	1,153
Other taxation and social security	61,865	27,768
Other creditors	19,351	18,414
Accruals and deferred income	732,803	864,241
	<u>988,683</u>	<u>1,170,848</u>

**9. Reserves**

**Income and expenditure account**

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

**10. 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**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

**11. Pension commitments**

The company operates a Defined Benefit Pension Scheme, which is funded.

The pension cost and provision for the year ending 31 March 2017 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:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	8,643,000	8,749,000
Current service cost	218,000	202,000
Interest cost	326,000	288,000
Actuarial gains/losses	933,000	(532,000)
Contributions	83,000	79,000
Benefits paid	(229,000)	(143,000)
<b>At the end of the year</b>	<b>9,974,000</b>	<b>8,643,000</b>

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
At the beginning of the year	6,859,000	6,827,000
Interest on assets	261,000	226,000
Return on assets less interest	1,216,000	(248,000)
Actuarial gains/losses	243,000	-
Contributions	83,000	79,000
Benefits paid	(229,000)	(143,000)
Employer contributions	138,000	121,000
Administration expenses	(4,000)	(3,000)
<b>At the end of the year</b>	<b>8,567,000</b>	<b>6,859,000</b>

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Fair value of plan assets	8,567,000	6,859,000
Present value of plan liabilities	(9,974,000)	(8,643,000)
<b>Net pension scheme liability</b>	<b>(1,407,000)</b>	<b>(1,784,000)</b>



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**BLACK COUNTRY CONSORTIUM LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**11. Pension commitments (continued)**

The amounts recognised in income and expenditure are as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Current service cost	(218,000)	(202,000)
Net interest defined liability	(65,000)	(62,000)
Administration expenses	(4,000)	(3,000)
<b>Total</b>	<u>(287,000)</u>	<u>(267,000)</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was £526,000 (2016 - £284,000).

The Company expects to contribute £161,000 to its Defined Benefit Pension Scheme in 2018.

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

	<b>2017</b>	<b>2016</b>
	<b>%</b>	<b>%</b>
Discount rate	2.8	3.8
Future salary increases	4.2	3.95
Future pension increases	2.7	2.2
Mortality rates		
- for a male aged 65 now	21.8	23
- at 65 for a male aged 45 now	23.9	25.3
- for a female aged 65 now	24.2	25.7
- at 65 for a female member aged 45 now	<u>26.5</u>	<u>28</u>

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**BLACK COUNTRY CONSORTIUM LIMITED**  
(A Company Limited by Guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

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**12. Commitments under operating leases**

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	26,304	26,304
Later than 1 year and not later than 5 years	27,961	54,265
	<u>54,265</u>	<u>80,569</u>

**13. 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.

**14. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on reserves, income or expenditure.

